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QIUSHI [SEEKING TRUTH]
No 18, 16 September 1990

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Seek Truth From Facts, Refrain From Empty Talk

00000000 Beijing QIUSHI [SEEKING TRUTH]
in Chinese No 18, 16 Sep 90 pp 2-5

[Speech by Peng Zhen delivered on 27 June 1990 at a forum organized by the Chinese Society for the Study of the Yanan Spirit to commemorate the 69th anniversary of the founding of the CPC; published in FBIS-CHI-90-182, 19 Sep 90 pp 13-17]

Full Development and Employment of Labor Resources Are a Strategic Problem

HK2410055790 Beijing QIUSHI [SEEKING TRUTH]
in Chinese No 18, 16 Sep 90 pp 6-8

[Commentator's article]

[Text] During the process of rectification and reorganization, we must utilize more labor resources and increase the number of jobs. The party and society ought to pay full attention to this important issue, because it concerns the general condition of our country.

Judging from our past experiences, whenever we regulate our economy, we have to readjust and reorganize the structures of industries, enterprises, and products; and the government may put investment funds into different areas. This results in the changing and regrouping of labor forces in various government departments and industries. That is to say, within a certain period of time the unemployment rate will inevitably go up, and some government departments and industries may not need as large a work force as before. This is an unavoidable situation. In fact, we can say that it is necessary to pay that price for economic readjustment. Now that industries are making structural changes, they will need fewer new workers. But if we look further ahead, once the economy is adjusted and the productivity of the enterprises improves, there will be a demand for a larger work force. The work force will be used more efficiently and resources will be more effectively utilized. Of course, we should understand clearly the complexity of this issue. For a long time we did not pay attention to the relationship between the material means of production and human reproduction. Because our population has grown so fast, food consumption and employment problems have been a continuous burden on the national economy. The way townships operate the employment system is for the town to be responsible for finding and assigning jobs for everyone by putting pressure on enterprises and industrial units. At present, all nationally owned enterprises, institutions, and organizations have more workers than jobs. This worsens the situation of surplus labor in rural areas. The number of people waiting for employment is the highest since 1979. In 1989 the unemployment rate in townships was 3.6 percent. This year, the number of people waiting to be

employed will exceed 1.2 million. In rural areas, township enterprises have thoroughly implemented the central party's policy of "adjustment, rectification, transformation, and improvement." The enterprises were scaled down and workers were laid off. Most of the several million construction workers who have gone to the cities to work are now returning to the villages. Therefore the surplus labor force in the rural areas has again gone up.

The supply and demand of the labor force in our country have never been balanced. Some enterprises are closed or half-closed, no doubt creating difficulties for rectification and reorganization. If we do not deal with this problem properly, more labor resources will be wasted, and the work of rectification and reorganization will be impaired. This may upset the stability of the whole society. We saw that happen at the beginning of 1989 when several million village laborers rushed into the cities. This kind of impulsive mobility leaves a negative impact on all of society. Therefore, we must not slight this problem. Solving it should be our priority. We must commit ourselves to finding a way to help; we must succeed. The full development and employment of labor resources are strategic issues. The Eighth Five-Year Plan and the 10-year development plan should include arrangements for these labor forces.

At present, the level of our industrial and agricultural productivity is well below the international standard. To improve the quality of enterprises and to help our products compete in the international market, we should set the number of positions and employees, and lay off unnecessary workers. For agricultural production to catch up with the new age, we cannot depend on the "strategy of numbers"; we need to depend on scientific farming, and depend on the modernized agriculture. This will require a large amount of surplus labor taken out of farm work. The suburbs of Beijing engage in small-scale agricultural production, and only 20 percent of the village work force works on the farms. In the Shanghai suburbs, only seven to eight percent of the labor force engages in agriculture, the rest of the people have been reassigned to work in the secondary or tertiary industries. The situation in the Pearl River delta and the Chang Jiang delta are about the same. A few regions may have to obtain labor from the outside, but most regions still have surplus labor. Generally speaking, the situation of surplus labor will not improve a great deal in the near future. How much we solve the problem depends on how we control population growth and how we develop and use the work force.

If we want to fully develop and utilize our rich labor resources, we must take various measures and explore the many possibilities. In the process of economic reform, we considered the possibility of "leaving the soil but not the village, and entering a factory without going to town." This idea has been important to reform. Many regions were inspired by this idea and achieved success. However, the condition of natural resources and the social economic conditions in our country vary from place to place. Basically, we need more than one format

for the development and utilization of labor resources. Each province, city, county, and village has individual differences, and we should take these differences into consideration and improvise solutions to the employment problem. It is not absolutely necessary to develop township industries in order to absorb new workers in rural areas. To equip a worker our city needs an average of 10,000 yuan of fixed capital investment, plus the necessary amount of floating funds. Our national finances can hardly afford to pay for this any more. What should we do then? This is a practical as well as conceptual problem. The characteristics of the labor force are two-sided. One side requires food and employment, the other creates prosperity and job opportunities. Many regions have recently worked to reform the employment system and job classification. But they have not gone far enough in the area of making arrangements for surplus employees. Can we expand our vision and think of different ways to use the abundant work force? Can the work force benefit society, creating and expanding job opportunities? Is it possible for the government to substitute work for welfare, ask farmers to grow grain and cotton, and encourage them to build roads? Building roads will help agricultural development. We need roads to transport agricultural by-products. If we do this, the path to more employment will also be widened.

Whether we are in a city or a village, we can find work to do if we think hard enough. For instance, if one factory has to close down, we may replace industrial production with repair services; we can fix up and recycle old or unused equipment. Or we can work on improving the environment. Li Shuangliang, a retired worker from the Taiyuan Steel Company, Shanxi, and his fellow workers have worked continuously during the last seven years. Together they move away piles of steel residue. They have recycled metal and other usable materials worth more than a million yuan. This proves that we should not say that there is nothing to do; it is just that we are unwilling to do it. If the region is hilly, we can plant trees and create forests or we can build terraced fields. Other regions may try to reclaim land, plant trees, build parks, develop tourism, or increase entertainment areas. We can develop social projects and expand employment at the same time. In the Yimeng Hill region of Shandong, there is a hilly village named Jiujianpeng. In the past not much was produced in the village, and the people were poor. The villagers lived in caves generation after generation until 1964. In 1984, a retired soldier became the village's party branch secretary. Through hard work and struggle, he led the village toward independence. The residents built roads, installed electricity, drew water uphill, and irrigated farm land. The village created more than 100,000 jobs in a five-year period. Each worker worked 310 days a year. After the conditions of production improved, the villagers found more ways to make money. At present their average income is up to 750-800 yuan per person. When farmers from the neighboring villages heard about this, they dragged their cadres and party members to Jiujianpeng to be "reeducated." Jiujianpeng exemplifies the spirit of struggle and shows that

prosperity can be found through hard work. The village has fully utilized the potential of its labor resources. We must promote this kind of work spirit.

When we practice socialism, we should remember the following principle: No one should be allowed to go hungry, and every citizen has the right and the obligation to work. How to safeguard the citizens' right to work is an important topic, and we all should pitch in to help with this problem. If we allow a lot of able-bodied people to stay idle, society will eventually lose out, people will feel bad about themselves, and the impact will be negative. Of course, the right to work does not guarantee everyone the chance to become civil servants in government organizations or workers in factories. We should have people working in other areas that may benefit society.

The situation in our country requires us to work, accumulate, and create social wealth. Through continual labor, the workers create employment and create new lives. When we compare the present with the past, we can see that our industrial production has improved tremendously. At least we can provide ourselves with spades, drills, explosives, and means of transportation. We use these simple tools to build roads, rearrange land, plant grass and trees, and install irrigation systems. Thus, we can overcome the lack of funds, take advantage of abundant labor resources, and turn these resources into "the backbone of prosperity."

We need good organization and able leaders if we want to fully develop and utilize labor resources. We have the disadvantage of overpopulation. If we can change this disadvantage into an advantage, we will have plenty of available workers. Then we must transform labor resources into social wealth. First, we need proper policy that will allow idle laborers to work, achieve success, and benefit from their achievements. We should look for pragmatic economic and administrative measures. Our party members should get up and explain the situation to the people. We propose that, from now on, the government, collectives, and individuals donate a certain amount of money and invest in construction that will benefit the people and the government. The workers will be paid a certain amount of subsidies. Welfare will be replaced with work. The organization of this kind of labor can be called a volunteer labor team. Workers will be paid when there is actual work, and they will be given tools and protective equipment. This is both volunteer work and relief work. People will have the chance to work, to learn, to have fun, and to study political ideology together. Factories, neighborhoods, districts, cities, villages, towns, counties, and provinces—all of them can organize volunteer labor. Because this is volunteer work, workers will be paid slightly less than those who have permanent jobs. But work will be good for them. For instance, we encourage farmers to fix slopes and create terrace fields. If their work is up to standard, the government and collective units should give them some money for the job done. These farmers stop the soil from being washed away and turn the deserted hills into

farmland. Their reward is worth more than a few yuan in subsidies. We have to communicate this idea to the people and make them see the long-term meaning and value of labor. At present we have a rule that each village has to supply 20 volunteer workers every year. Yet many villages have never been able to fill this quota. Is it possible that these villages cannot find anyone free? No, there is an abundance of labor. The problem is lack of leadership and lack of organization.

When we organize work projects, we have to plan ahead. We want quality work. Each project has to be a success. We cannot waste our work force even if we have plenty. Before, we dedicated ourselves to the Great Leap Forward movement and the steel-making project. We had good intentions. But because we were too eager to succeed and went against the nature of science, the result was contrary to what we had hoped to achieve. It is a shame to waste our work force. The work of Dazhai is still effective. "With 1,000 li and 10,000 poles, one mu of farm land is born." "Green rocks yield great harvests." This was good work. However, we cannot have all form but no substance. Before, we said "in agriculture we learn from Dazhai." We learned that we should not have been so impulsive. We were swept up by our emotions. We ruined the ecological balance and wasted our hard work because we followed the movement without any scientific method or detailed planning, and we never took regional differences into consideration. We cannot be so stupid any more. Communists need to be dedicated to the revolution and at the same time committed to scientific truth. We should arouse our national spirit, work hard, be practical, and promote socialism.

To develop and utilize the labor force, we need to offer our workers more training. In rural areas we should set up various technical schools and training classes. Farmers can improve their cultural level and learn some skills that are useful to agricultural production. In cities, training can be given in the style that suits the characteristics of cities and townships. Workers can be given on-the-job or professional training, or they can combine part-time jobs with part-time studies. This is to improve the quality of both the employed and unemployed workers. Enterprise employees will be better qualified, and those who are unemployed may have a better chance to get jobs.

We have achieved some success in rectification and reorganization, but we have also found some problems. Some of these problems are quite serious; the development and employment of the work force is one of them. This is why we should make an effort to study this issue and discover as many workable solutions as possible. If we can properly deal with the problem of the work force, the effect of rectification and reorganization will go further. From a broader point of view, success in solving the work problem will benefit continuous, steady, and coordinated economic development, and ensure the stability of the country. We can say that developing the use of labor resources is a great and important task. Leaders of every rank should have a sense of mission and carry

out their responsibilities. We firmly believe that, if we consider this task as our priority and tackle this problem together, we will be able to find many opportunities and transform abundant labor resources into an endless resource of riches.

On Qualitative Regularity of the Nature of Socialism

HK1510145390 Beijing QIUSHI [SEEKING TRUTH]
in Chinese No 18, 16 Sep 90 pp 9-12

[Article by Sun Jian (1327 0256), deputy commandant, Shanghai People's Liberation Army Air Force Political Academy]

[Text] Scientific socialism, which was founded by Marx and Engels, has developed from a theory into a realistic social system and has emerged victorious in one country and then in many countries during the last 100 years. The related process, that is the emergence and development of socialism as a scientific ideology, or the building up and consolidation of socialism as a social system, has displayed the enormous vitality of socialism. However, some people who have stubbornly upheld bourgeois liberalization and their supporters have argued in the last few years that "socialism has no precise definition in itself," and "so far nobody has a clear understanding of socialism." If socialism is just as they have described, what is the use of upholding it? This is a cardinal question of right and wrong and we must have it clarified.

Materialist dialectics teaches us that everything possesses a particular inherent quality which differentiates it from other things and a particular quantity which differentiates it from other things in the same category; the quality and quantity are mutually unified. This principle applies to socialism as a brand-new social system. When applying historical materialism to analyze internal contradictions in capitalist society and to study social development, Marx and Engels laid down a scientific definition of the qualitative requirement of socialism, put forward basic principles of socialism showing their great foresight, and pointed out the basic features of the socialist society and its development trend. Based on the expansion of socialism across the world and the great practice of building socialism in China under the party leadership, we believe that a society must accomplish the following tasks before it can meet the qualitative requirement of socialism.

One, abolish the system of exploitation and introduce public ownership of the means of production. In the *Communist Manifesto*, Marx and Engels pointed out that "Communists can summarize their theories in one phrase: Abolish private ownership."¹ Elimination of private ownership is the most basic feature differentiating socialism from all other social systems practiced in the past and also represents the greatest change in man's several-thousand-year-long history. Socialism calls for the elimination of exploitation so that the whole society

will forever eradicate it and class antagonism and will organize social production based on public ownership of the means of production. As Comrade Deng Xiaoping put it, "The socialist economy is based on public ownership and socialist production is designed to meet the material and cultural needs of the people to the maximum extent possible—not to exploit them."²

Two, distribute consumer goods to individuals according to the work each contributes. In a socialist society, every member enjoys equal rights and shares in the returns according to the quantity and quality of work each contributes. This principle, which is based on public ownership of the means of production, represents a negation of the capitalist distribution system under which returns are distributed according to capital and an "exchange of equal amounts of labor" between laborers in society who possess equal rights. Such a principle gives expression to the requirements of public ownership of the means of production, suits the level of productive forces, and ensures common prosperity.

Three, introduce planned commodity economy. By "planned," we mean that the society, with the means of production under public ownership, conscientiously controls and regulates the production process in the interest of all members of society. A socialist economy is a planned commodity economy and a fully developed planned commodity economy is an essential condition and an objective requirement of socialized and modernized production. Comrade Jiang Zemin said in his speech at the meeting to celebrate the 40th anniversary of the founding of the PRC that "there is an essential difference between our commodity economy and the capitalist commodity economy subject primarily to spontaneous regulation through the market based on private ownership. In an overall sense, the ability to purposefully develop the national economy in a planned and proportionate way is a sign of the superiority of the socialist system and a basic feature of the socialist economy."

Four, possess fully developed productive forces and higher productivity than capitalist societies. Highly developed social productive forces are an essential material prerequisite for the socialist system and also an essential condition for socialism moving to a higher stage. Comrade Deng Xiaoping pointed out, "The superiority of socialism over capitalism finds expression in the fact that it has more highly and quickly developed productive forces."³ Socialism is capable of creating higher productivity than capitalism. Due to special historical conditions, socialism first proved successful in some economically backward countries. It is, therefore, impossible for socialist countries to comprehensively create greater productive forces than capitalist countries in a short period. But it is "a necessary requirement and final result" that socialism will have highly developed productive forces and higher productivity than capitalism.

Five, establish the people's democratic dictatorship led by the working class and based on the alliance of workers and

peasants. This is an essential political requirement of socialism and also a marked sign differentiating socialism from all other political systems practiced in the past. In the past, the state power of exploiting classes was an instrument for ruling over the broad masses of the people, but the state power of the proletariat represents the interests of the people. It practices democracy within the ranks of the people and exercises dictatorship over the reactionary classes. Under socialist conditions, all power belongs to the people. The people administer state affairs and manage economic, cultural, and social affairs through various channels and in various ways in accordance with the law.

Six, build socialist spiritual civilization guided by Marxism. This is an essential ideological requirement of socialism. Regarding the building of socialist spiritual civilization as an important feature of socialism is our party's new contribution to the theory of scientific socialism. To build material and spiritual civilizations simultaneously is our basic policy. Material civilization provides material conditions for socialist spiritual civilization, while the latter provides spiritual motive force and intellectual support for the development of the former and provides a powerful ideological guarantee for the correct orientation of the development.

Qualitative requirements and basic characteristics of socialism bear the following features: First, objectivity. By "objectivity," we mean that under the socialist system the qualitative requirements of socialism are objective realities present in the socialist system and independent of man's will. Socialism as a theory is a scientific conclusion derived from objective reality by Marx and Engels rather than a rational principle or an idle dream derived from moral requirements. Such being the case, socialism is something which can be recognized and mastered rather than something which is elusive. Second, integrity. The basic characteristics of socialism relate to, penetrate, and run through each other, forming a systematic and inseparable organic whole. Public ownership of the means of production is the most important qualitative requirement... It is the basis and core of the nature of socialism and it plays a decisive role in defining other requirements. Requirements for politics, ideology, culture, and other things in the realm of the superstructure are guarantees for consolidating and developing economic characteristics such as public ownership. Negating or distorting any of the above aspects will lead to negation and distortion of socialism. Third, inclusiveness. Socialism is included in the whole structure of social organisms, finding expression not only in the economic structure but also in the superstructures such as politics and ideology; in other words, it finds expression in economics, politics, and other aspects of social life. Fourth, unity of principle and practice. All these basic characteristics of socialism have been written into China's Constitution, our basic law, for example, "The basis of the socialist economic system of the PRC is socialist public ownership of the means of production," "all power in the PRC belongs to the people." In

the meantime, the state has formulated a set of regulations and measures to prevent the public ownership of the means of production from being encroached upon, to ensure that the people are masters of the country, and to build socialist spiritual civilization, such as the people's congress system, the electoral system, the system of multiparty cooperation under the CPC leadership, the political consultative conference system, and so on. All this adequately shows the unity of theory and reality and that of the principle and practice of socialism, and such a unity has yet to be enriched and developed in the course of practice.

Now that the socialist system is a system incomparable in human history as far as its nature is concerned, why do some people still feel that our socialist society leaves much to be desired? We talk about the superiority of socialism in terms of its essence. As the essence shows the universal principles or general laws of socialism, it cannot be entirely identical with complicated social phenomena. Therefore, we cannot judge the superiority of socialism by observing the changing social phenomena in a direct or simple way. Instead, we must get rid of individual, superficial, external, and accidental factors and get to the essence of socialism. The reason for ideological confusion on some people's part is that they found that we had lagged behind developed capitalist countries in the economic realm and material life. This has something to do with the expansion and accumulation of the related quantity as required by the essence of socialism. The quantity of socialism refers to the extent to which the essential superiority is realized and brought out, namely, the degree to which, state in which, and level at which the socialist principles are carried out. The realization of the required nature of socialism and the unfolding of its superiority call for a process of expansion and accumulation of the related quantity, and the process may be longer in economically backward countries building socialism. The lines, principles, and policies worked out by the party in accordance with universal principles of socialism and in light of China's actual conditions following the Third Plenary Session of the party's 11th Central Committee are designed to further improve the qualitative requirement of socialism and to continuously increase the quantity of socialism. This will finally result in qualitative change and improve and develop the socialist system.

The necessary qualitative requirements of socialism were not derived purely from theory by a certain genius, nor were they stipulated by any individual. Instead, they exist as objective matter in the socialist society, which is also a reality. But we will not deeply understand and grasp this in practice without applying scientific world outlook and methodology. As a result, we will be biased about socialism and waver in action. Apart from their social and class roots, the main cognitive mistake by those who claimed that "socialism has no precise definition" lies in that they took a one-sided approach to socialism. Therefore we have to gain a clear idea of the following before we can grasp the qualitative requirement of socialism in a scientific way.

First, the qualitative requirements of socialism are a multilevel compound. Like anything else, the quality of socialism is a compound of many levels or stages. Horizontally, it has three components: 1) Universality. This refers to the universal characteristics of socialism. 2) Particularity. This refers to particular representation of the universal characteristics of socialism in different countries. 3) Individuality. This refers to individual characteristics of socialism at a particular historical stage in a particular country. Vertically, there are different development stages for socialism, and different stages feature different qualitative requirements. For instance, the socialist system in modern times and the socialist system envisaged by Marx and Engels are two things of the same category at different levels, in different stages. By "the same category," we mean that they are both socialist systems, but facts show that at present socialism is still in its initial stage, which also bears particular characteristics. The initial and developed stages of socialism stated by the party Central Committee are not of the same level or stage. Although socialist society in the initial stage has the general characteristics of socialism, namely socialism plays a leading role in various fields of social life, it has yet to be purified. Take China for example. Though socialist public ownership serves as the mainstay of the national economy, there is an individual economic sector, private economic sector, and "enterprises of three capital sources," and various distribution systems, with distribution according to work remaining predominant.

Second, the quality of socialism represents itself in various forms. The quality of anything is determined by particular contradictions within it. Because the variety of the contradiction of a thing makes it inevitable that the quality presents itself in various forms, and historical conditions vary from country to country, different countries are allowed to build socialism in different ways on condition that they preserve the basic characteristics of socialism. The basic characteristics of different socialist countries throughout the world must have something in common. This makes them worthy of the name. Nevertheless, any country must decide the process, objectives, principles, and ways of building socialism in accordance with the demands of the times and their actual conditions. In this way, they can also give expression to the common essence of socialism in their countries. Marx said that "identical economic bases—identical in terms of their principal conditions—may have different manifestations in numerous forms and varying degrees owing to different experiences, national conditions, racial relationships, and various historical influences exerted by external factors."⁴ This brought about the variety of socialist development, and this variety resides in the unity and gives expression to the unity.

Third, because socialism contains several levels or stages and has different manifestations, we cannot gain a perfect understanding of it overnight; rather we deepen our understanding of it step by step. Again, it has been only 70 years since the first socialist society came onto being.

Socialism as a system is still in its infancy and its characteristics have yet to be fully displayed and understood. Historically, every other social system has gone through the process of birth, development, and maturity. The socialist system is no exception. We cannot expect that the productive relations will be perfect as soon as they are formed. It should be realized that building socialism is a great cause without parallel in history and we have no examples to follow in building socialism in China, a large but economically backward country in the East. We can only develop socialism in practice and grope our way with the assistance of our experience. At present, the party is leading the people of all nationalities across the land to make a breakthrough in socialist construction, reform, and opening up to the outside world. This is a great process of cognition as well as a great process of practice.

Fourth, we have to approach "society" and "system" dialectically and strictly distinguish the socialist system from malpractices presently found in society. "System" and "society" are two concepts that are related but are different from each other. A particular social system serves as the main body and basic nature of a particular society and is a basic sign differentiating it from other societies. But no society is absolutely pure; surviving factors and forces of the old system coexist with the basic nature of the new system. Therefore, first, we cannot attribute remaining remnants of the old society to socialism. Emerging from the womb of the old society, the socialist system inevitably carries vestiges of the old society such as bureaucracy, the special privilege mentality, and abusing power for personal gain. These are survivors of feudalism and capitalism and are out of tune with socialism. The socialist system is not necessarily the cause. Second, we cannot attribute the phenomena caused by capitalism to the socialist system. As modern society is an open system, a society practicing a particular social system falls under the influence of other social systems. Especially when two different social systems coexist in the world and are competing against each other, they are bound to affect and penetrate each other. As a result, good and bad people mix even in socialist countries. Therefore we should not blame various malpractices caused by many factors on the socialist system. Third, we should not attribute some shortcomings of a specific system to the basic system. Marxism teaches us that the basic system of socialism refers to the general requirement, orientation, and system of socialism. It highlights the qualitative requirement of socialism, runs through the whole course of socialism, and is relatively stable; while the specific system is an operational system based on the principles of the basic system and a form of expression of the basic system. The enactment and implementation of the specific system is subject to historical developments and many subjective and objective factors. This specific system cannot be perfect at first. It has to be improved step by step and be developed with the development of productive forces. The political and economic structural reforms we have carried out since the Third Plenary Session of the 11th party Central

Committee are designed to improve and develop the basic system of socialism through reform of the specific system of socialism.

In short, only when we apply the scientific world outlook and methodology provided by Marxist philosophy to understanding the qualitative requirement of socialism in a dialectical, all-round, and scientific way, can we constantly increase our faith in socialism, conscientiously and resolutely take the socialist road, and keep a cool head and take a firm stand rather than go astray under a changeable international situation and in times of difficulty for the international communist movement.

Footnotes

1. *Selected Works of Marx and Engels*, Volume 1, p. 265.
2. *Selected Works of Deng Xiaoping*, 1975-82, p. 153.
3. *Build Socialism with Chinese Characteristics*, revised and enlarged edition, p. 53.
4. *Collected Works of Marx and Engels*, Volume 25, p. 892.

Strengthen Moral Education, Give Full Play to the Superiority of Moral Education

HK2410074190 Beijing QIUSHI [SEEKING TRUTH]
in Chinese No 18, 16 Sep 90 pp 13-17

[Article by Wang Fengxian (3769 6646 6343)]

[Text] People have been quite concerned recently about the problem of raising the younger generation, especially after the political turmoil last year. However, when it comes to solving this problem, the schools and society (including the family) have different opinions. Some people criticize the schools' incompetence and their dereliction of duty. They seem to think that if we reinvigorate school education, the ideological and moral standards of our young people will improve. This opinion exaggerates the function of moral education (which means teaching students about ideology, political thought, discipline, and morals) at school. Of course, school officials always think our society is to be blamed. They say that if society, as the larger environment, does not improve, a small environment such as school is helpless. Their attitude toward the problem will make it even less possible to teach moral education at school. We will not solve the problem if we simply blame everyone but ourselves and if we always think this is somebody else's responsibility. To understand this problem we must first make objective and profound analysis of how society and school affect young people's growth. We must find out how society influences the formation of young students' minds and morals, and the importance of moral education at school. Afterward, we should define our individual responsibilities and work together to solve the problem.

I. When We Teach Moral Education at School, We Must Remember That Society Has Already Made Its Imprint, and This Impression Has Been Set Firmly in Students' Minds

There are many factors that may influence the formation of students' minds and moral character; the major sources of influence are the social environment and school. However, students get their early learning in morals from society, and the imprint of that learning will stay with them. Young people are students at school, but they are also members of society. Before they go to school, they receive their education from their families. A person's family is like a cell of society. As a person is influenced by his family, in the same way he will be influenced by society, only the former influence is on a smaller scale. Even at school, information from society can sift through to students by various means and in different styles. Compared to moral education, the impact that society makes on students is broader and more direct. This impact is also full of images, more vivid, more situational, and more suggestive. Young people do not yet have any fixed professional roles or social responsibilities, nor have they decided on the purpose of their lives. Psychologically they want to "look for something new and different," "follow their feelings," and "stay with the trend." Therefore, social influences can create instant effects on young people, and these influences can be internalized and become a part of a student's organic character. This organic character, formed by social influences, will become the measuring stick for a student when he evaluates and selectively absorbs the education he later receives from school. To a certain extent, we can say that children are not clean slates before they come to school, because they have already been imprinted, shallowly or profoundly, by society. Moral education at school does not start from the zero point in developing a student's character; character is built on the basis of social influences.

The trend in contemporary social development is for society, not school, to have more influence on young people. Experts calculate that school and society were equally responsible for the formation of young people's characters in the 1950's. By the end of the 1980's, society had much more influence on students than school education did. People who are responsible for teaching moral education must look into this situation carefully.

The social environment is complex and changeable. Its influence on young people's characters can be both positive and negative. The trend of social development says that dominant social influences vary constantly. Our society is a socialist society, and the dominant influences are generally positive. Under the economic system of public ownership, and with Marxism as our ideological guide, our society basically follows the principles of collectivism. Heroic and model figures appear in every profession each day. These figures have positive effects on the formation of students' characters. Because recently we have ignored ideological and political work and have been slack in building up socialist spiritual

civilization, our society has been flooded with bourgeois liberalism and decadent Western culture and life styles. Some of the evils that became extinct along with the old society have been revived and have severely polluted the social environment in which our young people grow. Since the Fourth Plenary Session of the 13th CPC Central Committee, we have struck back at bourgeois liberalism, "fought against pornography," "gotten rid of the six vices," and cracked down on corruption and decadence. We emphasized hard work, built a clean government, and started the movement of learning from Lei Feng. Since then the social atmosphere has improved. We should realize, however, that it will take much longer before society can be changed back to its superior shape. Bourgeois liberalization and its decadent ideology have not vanished. The loopholes and defects of social and economic reform need to be corrected. Also, it will take time to get rid of deeply rooted, decadent phenomena and tackle the issue of unfair income distribution. However, while we are building a new socialist culture, absorbing or criticizing traditional culture and western culture, the mass media continue to infiltrate and corrupt young people's minds with many irrational ideologies that are against society and civilization. This is not something we can immediately put an end to either.

Young people are prone to be attracted by the negative phenomena mentioned above. The reason is that youth is the period when human beings learn how to survive and how to live. Their basic needs (such as clothing, food, shelter, transportation, sex, play, communications, and development) are still at a lower level of requirement. This is the time when they learn about the higher level of social emotion and ideals. They do not yet have the scientific skill to judge and select social and human values. Through "trial and error" and by following guidance, young people form their own value system. They have many demands, yet they have trouble satisfying their demands because they have not acquired skills and because society is limited in its capacity to help. Under these circumstances, young people are easily tempted by things that can satisfy their low-level sensual urges and help them vent their frustration. Many educational workers can only see the surface of the problem. They say that "no teaching is necessary because it is easier for young people to learn bad things." Actually, young people are "taught" to be bad; most people do not realize this hidden fact because social learning is spontaneous.

In short, we have a complicated social environment. From this environment young people can be influenced by goodness and develop a positive foundation for learning moral education, or they can be affected by negative influences and have difficulty absorbing moral education. Moral education at school is meaningful and important because it can play a dynamic role. It has a unique function in the shaping of young people's mental attitudes. Understandably it is difficult to help students who are already in deep trouble, hoping that they'll be

transformed by moral education. This takes so much time and energy that at times many educational workers will all but give up. That is why we need to change the social environment as well as improve and invigorate moral education.

II. To Safeguard Moral Education at School We Must Improve the Substance of Moral Education

We understand that students will receive their early learning from the society, and that social influences have a strong hold on the formation of moral character. But this does not mean that we have to wait passively for society to clean itself up before we can achieve success in moral education. Recently, many schools have reinvigorated their moral education, much more so than before. But many educational workers are still more or less afraid to tackle this difficult problem. This is due to their lack of confidence in moral education and also because they do not know how to develop moral education and make it more effective.

Even though students receive moral education later in life, moral education has its unique superiority over social influences because it is given at school, the institution that specializes in education. Moral education has six advantages over social influences. 1) Moral education has a definite target and task. It takes care of the basic needs of society and the healthy development of young people. 2) The content and requirements of moral education are comprehensive, systematic, scientific, structural, and workable. Moral education teaches students to think and helps them choose their values wisely. 3) There is a package of measures that helps us implement and regulate moral education, which makes our work more efficient and effective. 4) We have a team of well-trained educational workers who teach moral education full-time or part-time. They love and understand their students. They understand the discipline of moral education and take it as their responsibility to make moral education work. 5) Moral education is not an isolated subject at school. It is coordinated with other subjects and is therefore more effective. 6) We have a stable control system in moral education. We design teaching plans that will make the subject more organized and systematic. On the whole, social influences do not have these advantages. Even if there are many negative factors in society, if our educational workers work hard, explore more possibilities, and make use of the advantages of moral education, they will be able to guide and teach students. Then, young people will not be so affected by social influences; they will follow the guidance of moral education and develop their moral character. Before liberation the majority of young people grew up in the old society; many of them came from families that were not ideal. In the schools or classes that were taught by party members or progressive people, many young people managed to break away from the negative influence of the old society and old families and joined the revolution. Not too long ago when the social atmosphere was not ideal, many schools and classes still insisted on teaching moral education. These students kept their high

moral standards at all times—in their daily lives, as well as during the turmoil last year. This explains why we can achieve success if we make good use of the superior position of moral education.

If we want to make good use of moral education, we must work hard to safeguard and improve the substance of moral education. Whether during the period of revolutionary war or at the time of socialist construction, the party has always emphasized the role of substantive moral education. Teaching moral education is as important as teaching other subjects. Moral education is equipped with a unique target, content, syllabus, principles, methods, styles, work teams, controls, and evaluation system. It is an independent educational subject and should have its allotment of time, space, and funds. Many schools, influenced by bourgeois liberalization thinking and preoccupied with gaining a higher university acceptance rate, have chosen to ignore moral education and to destroy its substance. Some comrades suggest that "intellectual education can replace moral education" or "moral education can be combined with other subjects." Naturally, they are not too enthusiastic about setting up and improving moral education.

Can intellectual education replace moral education and fulfill its educational and social functions? People who believe this think that intelligence means morality, and that people are immoral because they are ignorant. This is not a new viewpoint. In ancient Greece, Socrates said that "a wise man is a kind man." Also, some people have recently suggested that intellectual understanding is the reason why, in the international political arena, governments are now engaging in dialogue instead of confrontation. They seem to believe that, as long as we strengthen intellectual education, the different social systems, world outlooks, and ethics will find common ground to come together, and there will not be antagonism. But science and social life show us that, even though knowledge, especially real scientific knowledge, is essential to establishment of a scientific outlook on the world and to development of high morality, this does not mean that we need nothing other than knowledge. Intellectual and moral qualities are two essential mental elements; each is different from the other. They cannot replace each other, nor can they be transformed automatically. In the past or present, in China or other countries, there have existed many wise but also moral persons. But there are also many highly intelligent but extremely immoral people; and there are many who are illiterate or not too knowledgeable but who are good and moral. That is to say, knowledge and intellectual education can never replace morality and moral education. Only when we absorb scientific knowledge through moral education and stimulate our psychological makeup can we transform knowledge into morality.

Can we teach moral education through other subjects? Those who answer yes have already determined that moral education does not have content nor can it assume substantial responsibilities. They think that the school does not need a special syllabus, place, or team of experts

to take care of the business of moral education, for this can be learned through the lessons of intellectual, aesthetic, and physical education. It is true that moral education can sometimes be "symbiotic"; we do not deny this characteristic. In fact we ought to emphasize the importance of this characteristic. But this does not mean that we should deny moral education as an independent subject. Moral education has its own targets. Much of its syllabus is specialized courses, and they are not "symbiotic" at all. Besides, teaching moral education requires special methods. When we ignore these principles, we make moral education subsidiary to other subjects. And this makes it impossible to counteract all the negative influences of society.

Since moral education is an individual educational subject just like others, it has its own unique and irreplaceable function, knowledge, and ideology. We must allot a time and place for the teaching, and we must employ a team of specially trained experts to do the job. The weak condition of moral education at present is directly related to the fact that there are not enough experts in this field. Many religious organizations in the world, because they want to spread their illusionary religious ideology, establish various types of religious schools. Our moral education is to spread the truth of Marxism and cultivate communist morality. Yet, all we have is a slogan that says "It is everyone's duty," and we expect teachers of different subjects to take care of moral education in their spare time. Obviously this is not enough. If we don't build up our team of moral education teachers, the result will be like boarding a boat that has no crew. When we say we need to build up a teaching team, we do not mean adding a large number of teachers and simply replacing quality with quantity. Neither do we relieve teachers from teaching other subjects or administrative personnel from the duty of teaching moral education, nor do we eliminate the positions of part-time moral education teachers. What we want to do is to train a group of people who will then become experts on moral education, the backbone of the system.

If we are to safeguard and improve the substance of moral education, don't we need to spend a little money and get the necessary equipment? To some people, moral education involves only talking and listening, disciplining and evaluating. What do we spend money on? Actually, teachers of moral education have to be paid the same as other teachers, and the teaching materials involved are not just textbooks and selected essays. Our coordinated teaching method requires us to prepare our teaching materials with audio and video equipment. We must get out of the schools and classrooms to observe and to visit, to do research, and to be trained. We must have a place where we can talk, consult, and discuss with each other. All these activities require money. If we do not accept the new idea that we must invest in moral education, then the substance of moral education can only stay the same as before. This just means that we have given up the fight to spread propaganda and ideology.

The last question we must ask ourselves is whether we can turn the situation around and help students to abandon their "early impressions" from society. If school officials think that invigorating moral education is important, and if they can raise standards, then moral education does not have to lag behind social influences. Schools can turn the situation around by making moral education march in step with, or maybe even one step ahead of, social influences. We have to take the following measures: 1) We need to be constantly on the lookout for any positive elements in society. Some of these elements may look minor or not influential, but we should take every opportunity to teach students and make use of all positive elements. 2) The school should pay attention to negative elements in society, even though these elements have not yet had any impact. Teachers should analyze these elements and implement preventive measures. Students will learn to be selective and able to resist temptation. This will reduce or eliminate the chances of being affected by negative phenomena. 3) No doubt it will be more difficult to transform students who have already accepted negative influences from society. But we may succeed if we work hard and get hold of the students before "negative influences become rooted" in their minds. 4) Our schools should establish an intimate relationship with families and society. All of them should work together to prevent bad influences from taking charge of the students' minds; we must impress students with positive elements instead.

III. We Must Understand That Moral Education Needs To Have a Strong Impact

To determine whether moral education is superior or not, we only need to see what effect it has achieved, to see if students' characters meet the requirements of our moral standards. Moral education will create three kinds of effects:

Positive effect: Students have absorbed most or all of what is taught to them in moral education. They internalize the moral requirements, which then become a part of their personalities. Their words and behavior are the result of education. This is the effect we would like to have.

Zero effect: The moral standards required by the teacher are ignored by the students. They simply treat the teacher's advice as if it were a "breeze passing by their ears." They behave the same way as before, with no improvement at all.

Negative effect: Students reject the teachings of moral education. They are repelled by the subject matter and feel antagonistic toward the whole thing. It is possible that they may deliberately think and act contrary to what is taught them.

If we want to achieve positive results and avoid zero or negative effects in the teaching of moral education, our educators must first understand that they need to make a strong impact. We cannot accept the work style that says "only the planting matters, not the harvest." By

moral education having an impact, we mean: 1) When we plan activities for moral education, we must consider whether the activities will have a positive impact. We regulate activities by measuring whether they will create positive results. 2) No matter what effects moral education may have on students, teachers should feel responsible. If the activities create zero or negative effects, teachers should immediately take corrective measures. 3) Teachers must understand the motives behind moral education as well as the results before determining teaching methods. The concept of making an impact is the measuring stick for conscientious teachers when they evaluate the quality of moral education; it is also the standard for self-discipline. Teachers of moral education should have this concept firmly planted in their minds.

The results of moral education are related to the teaching methods. Comrade Mao Zedong once said, "Our task is to cross the river. However, we cannot cross the river if there is neither bridge nor boat. If we do not solve the problem of locating a bridge or boat, then talk of fulfilling the task is just empty words." The same is true with teaching moral education. If we have decided on the target, task, and concept of moral education, then the key to success depends on whether the teaching methods are scientific. Some teachers have always paid attention to their teaching methods. But all this time we have not learned to transform the negative results of moral education. We still emphasize that motives are more important than effectiveness. If this situation continues, we will not be able to fulfill the task of moral education, and we will suffer damage from these zero and negative teaching effects.

We follow the principles and the true reasoning of moral education, use the method of democratic persuasion, and learn from the rich experiences of the past. This is how we invent the methodology of moral education. The methods we use include engaging in dialogue, lecturing, setting examples, training, molding, cultivating, giving rewards, consulting, and making evaluations. These methods have their individual functions, styles, procedures, and rules. There are many selections and different ways of combining methods. In order to achieve positive results, teachers have created an overall impact by combining and coordinating theory with practice. Unfortunately, many teachers of moral education are not too familiar with principles and systems. They only lecture, use model examples, and give evaluations. They do not apply these methods too scientifically either, and they rarely try other measures. Their teaching is monotonous and simplified. Naturally, the results will not be good.

In order to make moral education work, we must use various channels. There are many types of activities that we can instill with moral education: We can teach moral education through academic subjects (including the subjects of ideology, political thinking, and morals), extra-curricular activities in the humanities and sciences, manual labor, social activities, military activities, the party and youth league, student councils, and other

social organizations. All these activities and organizations are essential to the teaching of many subjects, including moral education. Moral education will succeed if we know how to explore various paths of methodology, link them together, and build a supportive network. Unfortunately, not every teacher of moral education knows how to use these channels. More often than not, teachers work independently, without consulting each other, and as a result their individual efforts cancel each other out. This is one reason why there are zero or negative effects.

We must thoroughly implement the principles of moral education and follow the basic rules and procedures. This is to make sure we apply the teaching methods correctly, comprehensively, and creatively. The basic principles of moral education require us to spread, directly and indirectly, socialist reality and the communist cause. We are to instill the students with ideology and guide them to the right path. We love and respect students, but we demand discipline. We open doors, but we should take preventive measures. We mold and remold personalities. We undertake regular and occasional activities. We advise students in groups and individually. We combine education and self-education. The key is to combine all these methods dialectically. If we do not follow this path, we will not achieve success even if we invent more methods or channels.

Of course, the methodology, channels, and principles that we mention above will be effective only if we have a comprehensive understanding of our students. The famous Russian educator Vozneshkiy said, "If we hope to teach a person everything, we must first understand everything of this person." Understanding students is the prerequisite of education. Some teachers have worked very hard and used every method to teach their students, but the results of their work are never satisfactory. One major reason is that they do not really understand their students. If we just teach moral education without planning ahead, there will not be good results. It is true that Marx said, "If the theory is comprehensive, it will persuade." But, teachers and students must share the same identity if truth is to be persuasive and probability is to turn into reality. This depends on how well teachers understand their students and what kind of teaching methods they use. At present, some teachers are stuck in a rut because "old methods do not work and new methods are ineffective," and "neither being tough nor being soft will work." Actually, many of these old and new methods can still work for these teachers if they try harder to understand their students and find some way to communicate with them. The standard of moral education is measured by its effectiveness. This standard can be reached by making moral education attractive, persuasive, inspiring, and competitive. At the very least, we have to eradicate the various levels of negative attitudes that still exist to a varying degree in young people's minds. These are, for example, the "rebellious" and "defensive" attitudes and the attitude of superficially respecting but actually avoiding

moral education. It would be better if students take an active, rather than a passive role in learning.

In the sphere of young people's education, no school can deny the influence of social environment. However, our schools should not just wait passively for society to change for the better. Instead they should take every opportunity to imprint moral standards on the students' minds as early as possible and make substantial improvement in the content of moral education. We should make the best of the superior position of moral education and do the best we can. We should fully implement the party's policy of education, and at the same time take every measure to invigorate the study of moral education theory and train people to become experts in the field of moral education. As long as all education workers follow the discipline of moral education, we will be able to achieve success.

10 Years of Pioneering Work and Progress

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[Text] Since 1980, Shenzhen Special Economic Zone [SEZ] has seen, and continues to see, a decade of hard and pioneering work. Over the past years, Shenzhen SEZ experienced great changes, and made remarkable achievements. First, it carried out large-scale capital construction facilities, and created a sound investment environment. By the end of 1989, it had completed capital construction projects involving an investment worth more than 180 billion yuan. It developed a total of over 60 square kilometers of urban areas, built eight industrial zones, a science and technology park, and coordinated basic facilities, including urban roads, harbors, and wharves, customs ports, telephone facilities, and facilities for water and power supply. At the same time, it strengthened construction of the legal system, readjusted the size of government organizations, and improved its efficiency. Second, it developed the situation of "attracting foreigners and establishing links to inland areas." By 1989, Shenzhen had signed 6,890 agreements with foreign businessmen from more than 30 countries and regions, with the actual amount of foreign investment totaling more than \$2,700 million, accounting for one-seventh of the total amount of foreign investment directly invested in China. At present, it has set up more than 3,000 "three-capital" enterprises, and has jointly formed more than 3,900 enterprises with counterparts from 29 provinces, cities, and regions, involving an actual investment of over 3,000 million yuan. Third, it has established its distinctive economic system, and its economic development has been quite rapid. Compared to the situation 10 years ago, its 1989 gross social output value increased by 51 times, amounting to 21,450 million yuan. Its GNP increased by 28 times, amounting to 9,300 million yuan. Its national income increased by 44 times, amounting to 7,400

million yuan. Its gross value of industrial output increased by 192 times, amounting to 11,650 million yuan. Its fiscal revenue increased by 109 times, amounting to 1,877 million yuan. Its gross export volume increased by more than 230 times, amounting to 2,710 million yuan. While we managed the core of carrying out economic construction and upholding the work of reform and opening up, we always maintained a high level of political awareness, and gave top priority to the party construction, and the work of socialist spiritual civilization. We upheld the work of education in the four cardinal principles throughout our work, so that we have developed in a socialist direction and maintained the mentality of striving for improvement, while Shenzhen SEZ, as well as other socialist undertakings, were thriving.

Over the past 10 years, Shenzhen SEZ also functioned as a service center for the whole country. First, it gave play to its role of being the "window." By importing from overseas and assimilating advanced technology and management skills, it has gradually transferred its technology and skills to inland areas. This includes more than 100 items relating to manufacturing techniques and processing skills; 59 items relating to technology and products successfully developed by it, eight of which filled in the gaps in relevant fields of inland areas. It also provided services to inland areas for exhibitions and negotiations; imported for production enterprises as well as scientific and research departments of inland areas, or acted on their behalf in the import of technology, equipment, key parts, important raw materials, and parts and components worth more than \$1,000 million. It also provide a host of economic and technological information to various localities across China, thereby promoting economic development in such localities. Second, it has functioned as an experimental site for reforms. Its experience in various areas became examples for the inland areas in terms of reform and opening up. For example, its reform experience in the invitation for tenders of capital construction projects, establishment of a foreign exchange adjustment center, establishment of an investment management company, introduction of a compensatory system for the use of land, and a labor contracts system, have been gradually adapted and promoted in other localities. Third, it began functioning as a base to generate foreign exchange through exports. In addition to exporting its own products, Shenzhen also exports products made in inland areas. Fourth, it has contributed to China's economy. Over the decade, the amount of taxes and profit delivery, bank interest, and custom duties paid to the central authorities, and the amount of profits paid to shareholders from inland areas and labor charges paid to these areas respectively totaled 17,400 million and over 90 million yuan.

Compared to the Hong Kong region and other developed countries, the economic development, as well as construction achievements of Shenzhen SEZ in the past decade were by no means inferior. Besides, Shenzhen, while maintaining a rapid economic development, prevented the emergence of certain major shortcomings of

capitalism. These facts have proved that China's decision to establish an SEZ is correct, and that the approach taken by Shenzhen SEZ was successful. Its emergence was by no means a result of the subjective thinking of any individual. Rather, it is an inescapable requirement of socioeconomic development in China during the new era. Once it emerged, it displayed its enormous vitality.

Establishing an SEZ was a new thing in China. We have been able to constantly get a deeper understanding about how to do a better job in running the socialist economic zone. In our exploration in the past decade we have accumulated some preliminary experience in this respect.

To Uphold the Correct Policy of Opening Up, To Actively Import Foreign Capital, Technology, Management Skills, and To Actively Develop an Export Economy

In the early days following establishment of the SEZ, some people were worried that to open up to the outside world would lead to the growth of capitalism. Right from the start, Shenzhen upheld this principle: Our work of opening up is to uphold the practice of opening up in a socialist direction, and is by no means to practice capitalism. Acting according to the requirements set forth by the CPC Central Committee and the provincial CPC Committee, we implemented the principles of "importation with restrictions" and "repulsing evils but not foreign things." On the one hand, we acted boldly in importing foreign capital, advanced science and technology, management skills, and outstanding cultural achievements. On the other, we resolutely rejected the infiltration and dissemination of all corrupt capitalist matters. Over the past 10 years, Shenzhen has gradually widened the scope of opening up. Nevertheless, it still maintains and carries forward its socialist outlook. The action of importing foreign capital did not change its socialist nature. This is because activities using foreign capital were carried out under the guidance and supervision of China's laws, regulations, and social management departments representing the basic interests of the masses, and were carried out under an economic operating mechanism of the SEZ that integrated the planned economy with market readjustment. Such capital was a supplement to the socialist economy, and existed for the purpose of promoting socialist economic development.

Shenzhen is at the meeting point of the international and domestic markets. It must actively take part in the international division of labor and international competition, and it must actively develop its export economy, so as to make the process of opening up become a process of boosting its strength for the socialist modernizations. Over the decade, we took the development of an export economy as an important task and goal of the SEZ. We set up a system and adopted a series of policies and measures that helped develop the export economy. We gradually succeeded in taking the international market as our orientation, did a good job in changing the composition of industries and the orientation of management

style and strategy, and gradually transformed the economic structure into one that generates foreign exchange through exports. Fully utilizing the superior geographic position of Hong Kong, where international contacts are easy to maintain, Shenzhen integrated industry with trade, set up export bases, diversified export channels, and set up overseas sales networks to march directly into the international market. It also mobilized the enthusiasm of enterprises to export to generate foreign exchange by adopting a "slanting policy" toward them, and by supporting through credit and taxes those enterprises that generate larger amounts of foreign exchange. It adopted a flexible and diversified approach toward the processing trade. For example, when the end products of processing were to be sold in the inland areas, Shenzhen carried out precision work to turn them into export products with added value. When processing orders were placed with units in the inland areas by foreigners, Shenzhen became the export channel. Also, it set up overseas production enterprises to put products directly into the international market. It also cooperated with foreign businessmen in the development of new products. Moreover, it made use of its foreign partners' international purchase and sales network to purchase raw materials in order to make marketable goods for sale in the international market. Over the decade, we always upheld the principle of relying on the whole country; extensively carried out cooperation with the inland areas in terms of economic development, development of technology and equipment, cultivation of qualified personnel, and so forth; and worked hard to develop new products and to enter the international market, thereby forming an export network linking the inland areas-Shenzhen-overseas. By jointly establishing factories with enterprises from inland areas, it brought in many fine products from these areas or used their raw materials and semi-finished products, together with its imported advanced technology and equipment and its intensive processing and precision work, to manufacture high-class goods with added value. At the same time, it cooperated with various universities and colleges, as well as research institutes, to develop high-technology products for large-scale production in the SEZ and for export to the international market. In 1989, the gross export volume of Shenzhen ranked second among China's large and medium-sized cities. More than 60 percent of its industrial products were exported. Over 800 kinds of products were produced in and exported from Shenzhen. In 1989, more than 40 enterprises received annual foreign exchange revenues of over \$10 million; and more than 30 enterprises received annual foreign exchange revenues of more than \$1 million. This thus formed a preliminary pattern of an export economy. In order to attract more foreign capital, we particularly stressed following international practice and creating an environment for fair competition, so that Shenzhen became a "venue for playing according to the rules." For this reason, we strengthened the education and training of cadres and relevant personnel in this area, helping them

understand and voluntarily observe international practice. Meanwhile, we made the work methods and procedures of relevant governmental authorities conform to international practice. This is one of the reasons that Shenzhen has been attractive to foreign businessmen.

To Boldly Reform the Economic Structure, To Explore the Specific Form for Integrating the Planned Economy With Market Readjustment

Over the decade, we devoted major efforts to handling the work of structural reform and took reform as the driving force for the construction of the SEZ. Amid our reforms, we always heeded and grasped the basic principle that the SEZ's reform of its economic structure is a self-perfection of the socialist system and the socialist economic system, and that it is by no means a restoration of the capitalist system or its economic system. Under the guidance of this basic principle, we reformed and explored our work mainly in the following ways:

1. Reform of the ownership system. While various types of economic systems coexist, it is necessary that the system of public ownership be placed in a prominent position in the SEZ. However, we held that we could not simply interpret the system of public ownership as a unitary "system of state ownership." On the basis of this understanding, we encouraged, in reforming our economic structure, the establishment of economic combinations involving various regions, sectors, and trades, as well as joint ventures through which the partners joined harmoniously together. At the same time, we attached great importance to the development of stock enterprises, and encouraged departments, regions, enterprises, and individuals to join them, so as to help mobilize the enthusiasm of various areas through these amalgamations marked by the public ownership. In addition to Chinese-foreign joint ventures, and enterprises jointly formed with units from inland areas, Shenzhen now has 85 stock enterprises, including five listed companies, with face value of shares totaling 330 million yuan. We are summing up our experience, perfecting laws and regulations, and striving to standardize the stockholding system, particularly the listing system.

2. Reform of the enterprise management system. To give vitality to enterprises and to mobilize the enthusiasm of enterprises in production and operations are the basis for developing the productive forces of society. However, the basic conditions for realizing those two are determined by whether or not enterprises have the right of autonomy. Therefore, in our reforms, we first decentralized power to enterprises, reduced the number of "competent authorities" supervising them, and set up very few comprehensive departments providing services, giving guidance, and readjusting the operations of enterprises. The government generally did not interfere with the production and operations of enterprises, but let them make their own decisions. Through policies, decrees, and economic means, the SEZ government guided and standardized the direction of enterprise development and

provided information to enterprises about the international and domestic markets as well as various services. Second, the SEZ allowed enterprises to carry out production and operations in a flexible manner, and, to a certain extent, allowed them to diversify their operations while concentrating on a particular trade. At the same time, it created conditions for enterprises to engage in fair competition, so as to spur enterprises to improve their operations and management and to improve their level of technology.

3. Reform of the distribution system. The enthusiasm and creativeness of laborers are the most powerful driving force for the development of productive force. The most important point for mobilizing the initiative of laborers is to establish a rational system of distribution, in addition to strengthening their ideological and political work. According to the reality that various types of economic systems coexist in the SEZ, we have, over the decade, upheld the practice of distribution according to work, supplemented by other distribution methods, and have gradually switched from centralized distribution to decentralized distribution under the guidance of the state's Constitution, laws, orders, and policies. Under the condition that the state firmly held the right to readjust the level of individual income, we gave more decisionmaking power to enterprises about distribution, and broke away from the practice of equalitarianism. At present, enterprises either adopt the practice of linking their total wages to economic results, or adopt the practice of calculating their wages on the basis of workload, payment in kind, piece work, and so forth. Thus, to the extent of the total wages, they have more autonomy in the distribution of wages. Furthermore, some stock enterprises adopt the practice of distributing bonuses according to the proportion of shares held by the workers. We also protect the legitimate rights, as well as distribution interests and rights, of foreign parties to the "three-capital" enterprises, while exercising legal supervision over the process of their distribution. We also protect according to law, the legitimate rights of China's staff and workers.

4. Exploration of a specific form for integrating the planned economy with market readjustment. In our practice over the decade, we learned that to totally implement the market economy in the SEZ was not feasible, nor would it work if we adopted a unitary system of planned management. We must integrate the planned economy with market readjustment and simultaneously use both the "visible hand" and the "invisible hand." Since the SEZ opened more widely to the outside world, its share of international division of labor increased. As it took the development of an export economy as its development goal, it needed a more useful and a wider scope of market readjustment, as well as a more flexible approach. How should the planned economy be integrated with market readjustment? Our specific form was that we upheld the mandatory planned readjustment for economic activities that were of vital importance to the economy of the SEZ. For example, we made capital

construction, financial credit, the scale of import and export, the composition of industries, population development, and so on, subject to mandatory planned readjustment. In the process of making planned readjustment, we gave full play to the functions of pricing, taxation, credit, interest rates, and other economic means. For example, we used credit and interest rates to readjust the amount of capital available to enterprises, so as to give guidance to their construction projects and their development of products. We used pricing to readjust the consumption of electricity and water by enterprises. We used the difference of market prices to readjust the proportion of China-made raw materials used by enterprises. We used tax rates to attract foreign enterprises. We used foreign exchange, tax rates, and interest rates to encourage enterprises to import and develop high-technology products and to give guidance to the development of trades. While making planned readjustment of the macroeconomic targets, we considered the realities of the SEZ and gave full play to the functions of market readjustment. Over the decade, we acted in accordance with the needs of the SEZ to develop an export economy, and successively formed our labor market, real estate market, production means markets, and securities markets. The prices of most commodities underwent market readjustment. We also acted according to the characteristics of the SEZ that most of its large enterprises were export enterprises. We respected the law of value adopted by the international market so that the price of products conformed to that of the market, and this helped enterprises readjust their direction of production, as well as their scale of production, according to changes in the international market.

To Take the Road of Economic Development by Means of Self-Accumulation, Constant Development, and Economic Results

China's SEZ's were founded under circumstances in which there was insufficient capital and qualified personnel, and China was inexperienced in this respect. In particular, it was very difficult to locate sources of capital for their construction. Except for adopting preferential policies toward the SEZ's, the state made little direct investment in the zones, which had to depend on themselves to raise funds for many of their construction projects. Therefore, while we made the full use of our external conditions and foreign capital, we had to uphold the practice of self-reliance and took the establishment of an internal mechanism for self-accumulation and self-development, as well as the process of tapping our potential, as the principle of constructing the SEZ, so as to make the economic strength of the SEZ grow constantly.

First, we relied on the implementation of preferential policies to extensively raise funds for the construction of basic facilities, thereby paving a smooth road for the SEZ's economic development. The construction of the SEZ was started after beginning the construction of basic facilities. At that time, many projects had to be started simultaneously, and wide stretches of land needed to be

developed. This required a large amount of construction capital, and neither local financial offices nor the state was able to provide enough to meet demand. Under these circumstances, Shenzhen SEZ solved the problem by stressing preferential policies, actively importing foreign capital, and making joint efforts with local joint ventures to absorb idle capital in society. Over the decade, it invested a total of 18,120 million yuan in capital construction, including 327 million yuan in direct investment from the state, accounting for 1.8 percent; 3,797 million yuan (after conversion into renminbi) in foreign capital, accounting for 20.95 percent; 2,429 million yuan from the municipality's fiscal authorities, accounting for 13.4 percent; 4,874 million yuan raised by the municipality's enterprises, accounting for 26.9 percent; 3,500 million yuan in domestic loans, accounting for 19.31 percent; 1,296 million yuan from various ministries and provinces, accounting for 7.5 percent; 677 million yuan from local joint ventures, accounting for 3.73 percent; and 123 million yuan from other sources, accounting for 6.78 percent. Consequently, we accomplished many basic construction projects and made the investment environment of the SEZ more perfect, thereby building the material basis for its economic development.

Second, we broke away from old conventions and acted boldly in using bank loans. By making use of other people's money and the snowball effect, and by turning idle money into capital, we improved the economic revitalization of the SEZ. In the process of using bank loans to carry out the construction, particularly development construction, we stressed investing such loans in the most needed construction works and strived to make the best use of the capital. In order to improve the land-use value, we set up a corresponding management system for land use, granted corresponding decision-making power to land development enterprises, and formed a mechanism to facilitate the circulation of capital. When we developed a land site, we accepted advanced purchase of plants and flats under construction, so that the value of capital increased constantly, and the percentage of land use continued to rise. For instance, in developing a small area in the Shangbu industrial zone with a 18 million yuan loan, we used the deposit money received in the sale of first-phase plants, which was under construction, as the capital for construction of the second phase. As a result of the continuous "snowball effect," we completed the 75 million yuan project and achieved better economic results.

Third, while we strived to maintain a relatively high rate of economic development, we always stressed the importance of improving economic results. Over the decade, there were times that the front as well as the scale of capital construction was excessively large. But we promptly made adjustments and slowed the excessively rapid growth and cut the scale of excessively large construction projects. When there was widespread expanded reproduction, we paid attention to tapping the potential of existing enterprises and stressed the contents

of expanded reproduction. We also handled well the relations between accumulation and consumption, checked the rapid growth in consumption funds, opposed extravagance and waste, worked hard to increase accumulation, and intensified our economic strength.

To Strengthen Party Leadership and To Promote Simultaneous Development in Material and Spiritual Civilization

As the task of constructing the SEZ was very arduous, we had to devote much effort to undertaking economic construction and developing the production forces of the SEZ. Some people therefore mistakenly held that they might take a relaxed attitude toward the work of party construction. Under the influence of bourgeois liberalization there were also some people who advocated the attitude of overlooking party leadership and suggested that "the party's work should be handled by amateurs, and the party's cadres should be part-timers." In some units, party work was not included on the daily agenda and was not given its proper position. In view of this situation, we promptly conducted education in the party on special topics and theoretically distinguished right from wrong, sought a common understanding, and clearly stated that the SEZ implemented only special economic policies, not political ones. In particular, we must not take a relaxed attitude toward construction of the party. Instead, we should further strengthen it. At the same time, we conducted extensive propaganda and education through all channels and in various forms, and actively created an environment in which public opinion favored the strengthening of party construction. We always upheld the party's leadership in the political affairs of the SEZ. We resolutely implemented the party's basic line and its principles and policies relating to the founding of SEZ's, and ensured that the SEZ developed in the correct direction. In the course of implementation, to strengthen the party's leadership in political affairs, we realized that, first, we must strengthen the party's leadership in organizing ideological and political work, must uphold the four cardinal principles, and the work of reforming and opening up down to the grassroots. Recently, our municipal CPC Committee has often organized units at the grassroots level to study and work out ideological and political work, in addition to acting according to changes in the international and China's situation, and the actual situation of the SEZ. Whenever it was necessary, we also promptly convened special municipal meetings to study problems relating to ideological and political work. Second, we upheld the party's leadership in implementing the policies on various construction works, and earnestly implemented the party's principles and policies. In the course of building the SEZ, we always took the work of organizing, publicizing, inspecting, supervising, and implementing the party's principles and policies as the prime task of party organizations at all levels. While undertaking construction work, we resolutely acted according to the party's policies, from the formulation of development strategy and plans to every

aspect of their organization and implementation. In order to make democratic and scientific decisions, we demanded that we follow the "four don'ts" when making decisions. That is, one should not make a decision on matters without conducting any serious investigation or study, without having a full-scale consultation or discussion, without preparing fewer than two feasibility study reports for comparison, and without it having been studied by the leaders. Thus, we have safeguarded that the party's line, principles, and policies are really implemented.

Over the decade, we always upheld the principle of strictly enforcing party discipline, strengthened the party's self-construction, and gave full play to the role of party organizations as the fighting force and the exemplary role of the party members. The realization of functions of party leadership is done through party organizations and party members. Recently, we seriously grasped the construction of the party organizations and party system. We set up party work committees among the municipality's large systems, as well as various party organizations in enterprises, established and perfected the rules and regulations, and worked out explicit regulations on and specific requirements for party construction in the "three-capital" enterprises, in which it was previously rather difficult to carry out party activities. At the same time, we did a good job in selecting and assigning leaders of the party organizations, so as to ensure that the party's work was carried out through the organization and the system. We strengthened the construction of the party's ideology and party style and conducted regular, or sometimes special, ideological education among the party members. Starting last year, we also upheld the activity of assessing party members in a democratic manner, in which we stressed education in honesty and in the communist belief, opposed corruption, and properly but strictly dealt with party members who violated discipline, so that the ranks of the party could stand against tests in the areas of performance, as well as reforms and opening up. Right from the start of the construction of the SEZ, we upheld the principle of "grasping the work in two respects." As we did a good job in building material civilization, we devoted major efforts to building socialist spiritual civilization. With respect to the latter, we specifically did the following work: First, we conducted education in the basic situation of the country and in ardently loving the socialist motherland. In particular, we explained to primary and secondary school students, as well as youths, about the history of our nation, which was full of untold tribulations, and let them understand that only socialism could save China, that the younger generation must bring credit to the Chinese nation and to the motherland, and that they must further develop the socialist economy with their own efforts. Second, we acted according to the actual situation of the SEZ and conducted education against corruption and in struggling despite hardship. In the wake of widening the scope of opening up, it was inevitable that certain bourgeois outlooks on life, values, and ethics, such as attitudes that simply emphasized the

importance of money, pleasure, and personal interests, took this opportunity and infiltrated and corrupted people's thinking. Some years ago, there were people who encouraged people living in the SEZ to develop the thinking of "gold mining." This fact indicated that under no circumstances must we take a relaxed attitude, not even a little bit, in the ideological struggle. Therefore, we always insisted on taking education against corruption as a focal point of the construction of socialist spiritual civilization, and put forward the spirit of "acting in a bold, innovative, united, and devoted manner." We continuously carried out the work of eliminating the "seven evils," thereby effectively strengthening the capability of the cadres and the masses to resist such corrupt bourgeois thinking, and promoting the construction of the socialist spiritual civilization.

A good foundation was laid in the first decade following the founding of Shenzhen SEZ. In the coming decade, we must make further efforts and strive for better development. The preliminary plan for the 1990's is to maintain the growth rate of the GNP at 15 percent, and the growth rate of gross industrial output at about 20 percent, so as to coordinate and stabilize the SEZ's economic development; and to strive to build the SEZ into one in which industry will be the major element, tertiary industry will be rapidly developed, the economy will be brisk; the politics will be of the progressive type, and its science and technology will be at an advanced level. Specifically, we must achieve four major goals: First, by the turn of this century we must strive to make the GNP catch up with, or at least be close to, the level of those not so highly developed countries. Second, we must strive to become the most important export base and source of foreign exchange. Third, we must strive to become a successful experimental zone in the structural reform of politics and economics. Fourth, we must strive to become an advanced zone in the construction of spiritual civilization. In order to achieve the above goals, we must carry out reforms and opening up in a more resolute and down-to-earth manner, and strive to establish a system that can fully mobilize the initiative of enterprises and laborers, and that can demonstrate the superiority of socialism. At the same time, we should further expand economic and technological exchanges and cooperation with foreigners, so as to further develop Shenzhen's export economy; do a better job in construction, for a sound investment environment to attract more foreign capital; strive to improve management skills; and readjust the composition of the economy. While we maintain the "Shenzhen speed," we should strive to achieve economic results for Shenzhen; and continue to strengthen party construction, as well as the construction of spiritual civilization, so as to ensure that the SEZ continues to make progress in the socialist direction.

Earnestly Strengthen Administration Over State-Owned Assets

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[Text] Our country's state-owned assets (assets under the system of ownership by the whole people) constitute the important material foundation for the existence of our country's socialist economic system. At present, the unification of ideology and adoption of effective measures to earnestly strengthen the administration of state-owned assets and improve their administrative conditions have an important and direct bearing on consolidating the economy of the socialist public ownership system, on elevating the level of material and cultural living standards, on developing in a healthy way the reform and opening to the outside world; and it has an important significance.

I

A newly founded socialist country immediately faces the important tasks of how to manage state-owned assets, continually elevate their operational effects, and fully display the guiding role of the state-owned economy in the national economy, to protect and develop the common interests of workers to the maximum degree; and to push the continuous development of socialist economic construction.

Since the founding of the republic, the gross value of our country's socialist state-owned assets has grown from over 20 billion yuan in the initial period to over 1,600 billion yuan today. Each year state-owned enterprises provide the state with profits and taxes amounting to over 300 billion yuan; they have become the principal supporting force in our country's economic construction. It is on this base that the people's democratic power under the leadership of the proletarian class can be consolidated and the various enterprises in socialist construction can be developed smoothly. However, rather serious defects have existed for a long time in the administration of our socialist state-owned assets, due to a misunderstanding of the need to integrate the theory and production relations of the Marxist public ownership system with the theory of their conformity to the level of productive forces, the overlooking of the characteristics of the level of productive forces at the present stage in our country, and the lack of a full understanding of the necessary and long-term nature of the development of the socialist commodity economy. First, the degree of nationalization of assets was taken as the only attribute of socialism, the development level of the productive forces was disregarded, purity was sought, and the "promotion" and "transition" to the system of ownership by the whole people were earnestly pursued. Second, socialist planned economy and economy by mandatory planning were taken as identical, and a state-owned assets management structure was formed signifying the unification of the government's socioeconomic management functions and the management functions of the ownership right of state-owned assets, with government departments directly organizing the production activities of enterprises level by level. The results were: Microeconomically, this was disadvantageous to the display and demonstration of the activism and initiative of the vast masses of staff members and

workers and caused the enterprises to lack vitality. Macroeconomically, this caused a division between departments and localities in the disposal and distribution of state-owned assets and the formation of a self-owned structure, and a redundancy in economic construction. Management lacked clear-cut economic responsibility and this caused the growth of defective bureaucratism. Losses and extravagance in state-owned assets were thus caused, and both management and social effects were downgraded. In order to fully display the strong points of the socialist economic system, we must carry out reform of the traditional state-owned assets management structure, suit it to the level of productive forces at the current stage and to the planned commodity economy, and thus ensure the effective development of the socialist economy under the leadership of the state-owned economy.

II

Since the Third Plenary Session of the 11th CPC Central Committee, under the leadership of the party Central Committee and the State Council, our country has begun an economic reform that has the improvement of the socialist system as its target and the vitalization of enterprises as its central task; the reform of the state-owned assets management system has also been put on the daily agenda. However, because the 10 years reform have followed the track of delegating power and ceding interest in order to progress, reform of the macroeconomic adjustment and control structure and reform of the state-owned assets management structure have lagged; certain defects of the old structure and certain discrepancies have unavoidably appeared in the course of the development of the new structure and have simultaneously played their role in the new conditions, and caused a relatively serious state of anarchism in economic life. This has offset a considerable portion of the beneficial effects brought about by reform, caused the loss of the newly increased wealth of the state, and even impeded normal economic operation. Seen from the angle of the ownership right, functions, and role of the owners of state-owned assets, the following several problems exist in the current management of state-owned assets:

1. The initial distribution of income in enterprises very clearly shows a trend of slanting toward the individual. After breaking the administrative planned wages system, which was out of joint with the results of the enterprise's operations, we have failed to promptly set up a restrictive mechanism over the distribution of salaries, wages, and bonuses; this has led to salaries and wages encroaching upon profits. According to statistics, from 1979-88, the average income in salaries, wages, and bonuses showed an annual increase of 10.55 percent, and the outlay for the collective benefits of the staff members and workers increased annually by 20.7 percent; however, on the average, the yearly rise in labor productivity was only 5.07 percent. This has not only caused a drop in the financial receipts of the state and adversely affected

the internal accumulations of the enterprises, but has also provided an impetus to currency inflation.

2. The loss of control over investments in fixed assets has aggravated the structural imbalance of industries. Due to purely and simply delegating power and ceding interests, many investment principal bodies have been formed. They control large amounts of funds and are backed by the privileges of repaying loans before paying taxes, using tax payments to repay loans, and not bearing any responsibility for investment risks. Led by distorted market information and news, they have rashly turned to projects that are "short in duration, cheap in cost, and quick in bearing results, thus causing a large amount of redundant construction and repetitious introduction of projects, making the long-line industrial structures even longer, the short-line ones even shorter, and generally causing a fall in the economic effects of the entire society. According to statistics, in the eight years from 1981 to 1988, the cumulative investments of units under the system of ownership by the whole people amounted to 1,237 billion yuan, of which investments under unified arrangements in the state budget amounted to 303.6 billion yuan, or 24.5 percent, while investments raised by the localities and enterprises and other investments amounted to 933.3 billion yuan, or 75.5 percent. The investments by state appropriations, which occupied but a very small percentage, were still handled according to the traditional method in the financial management of capital construction. The investments were not treated as assets. From the beginning, they were turned over to the enterprises acting as representatives of the holders ownership rights and to entrepreneurs, to take full charge of operation and management and to bear the responsibility of input and output. In the course of capital construction, effective supervision by the owners was absent. This caused a large amount of loss and waste. The production capacity formed was far from able to offset the encroaching effects of self-raised investments on the industrial structure. Besides, the investment effects were on the downturn. For example, of the investments in fixed assets in 1988, only 65.8 percent were delivered for use, a drop of some 20 percent compared with 1981 and equivalent to the reduction of production power formed from some 30 billion yuan of state-owned assets.

3. The amount of assets controlled by an enterprise not being linked to the amount of its output and the system of grading enterprises according to the size of their operations have formed a mechanism encouraging enterprises to hold the maximum amount of assets. This has caused the enterprises to hold an ever-increasing proportion of nonproductive assets, assets with low operational effects, and assets kept idle, stored, and accumulated. Estimated from the results of a typical survey in certain localities, in the whole country over 100 billion yuan of state-owned assets were in an idle or semi-idle state and the effective utilization rate of equipment was found to have been very low. This should be considered an important cause of the low interest or profit rate on capital funds.

4. There has been no clear "accounting" of the exact worth of the state-owned assets and there have been huge losses. Neither the enterprises themselves nor the departments to which they belong were clear about the true value of state-owned assets in their holding. Regarding the state-owned assets, there generally were such phenomena as accounts not being in accord with actual conditions, different sets of accounts not in accord with each other, the existence of extra accounts outside the regular accounts, the existence of assets outside the accounts, and these have been on the increase. According to an estimate made from a sample survey, in the whole country the gross volume of assets outside accounts was more than 300 billion yuan. Thus, a large amount of state-owned assets have been separated from the state's supervision and control, opening the door for certain units and individuals to encroach upon the state-owned assets and their benefits.

5. State-owned assets of state-run enterprises are steadily being "eaten up." The setting aside of depreciation is made according to the original value of the assets, the depreciation rate is low, and even in actual practice, depreciation is not fully set aside according to the low rate. Of the retention set aside, apart from the 25 percent delivered to the state as payment into major construction funds and the financial and budgetary regulation funds, the remainder is not always fully used on renovation and transformation. All this has cut down the allocation to the cost of production, falsely magnified taxes and profits, rendered the enterprises powerless to carry out renovation and transformation, and made it difficult to achieve technological progress.

6. As the ownership-rights administration system lags behind the reform of the enterprise's expanded autonomous rights, financial accounting and checking lack direct supervision and rigid control from the representative of ownership rights within the enterprise; confusion reigns in the enterprise's financial receipts and expenditures, cost accounting differs from reality, and the balance sheet cannot truthfully reflect the operating condition of the assets. This not only encroaches upon the interests of the owners of the state-owned assets, but also provides an opportunity for the breeding of various kinds of irregular practices. The "booty of war" won in the annual inspection of taxes gives a picture of the deceit in the financial auditing and accounting of enterprises. Moreover, what the inspection uncovers is not the whole of the "untruth."

The above problems manifest the continuous fall in the benefits of the assets of state-run enterprises and the sharp rise in their deficits, putting them in an unfavorable position in the competition with enterprises of the other economic constituents. The profit rate on funds of state-run industrial enterprises covered in the budget dropped from 13.9 percent in 1985 to 10.5 percent in 1988 and to 7.2 percent in 1989, lower than the interest rate on bank deposits. The volume of losses incurred by state-run industrial enterprises covered in the budget

increased from 3.69 billion yuan in 1979 to 7.42 billion yuan in 1988 and to 13.3 billion yuan in 1989.

Naturally, these problems were secondary to the success achieved in the 10 years of reform and were difficult to avoid in the transitional stage from the old to the new. In the 10 years of reform, the whole country invested a large amount of funds in construction which, after improvement, rectification, and strengthening of management and control, will certainly display their vast potential. However, if the above problems are not really solved, then it will be difficult for the national economy to develop in a healthy manner, and the strong points of the socialist system cannot be fully displayed. To solve these problems, the key lies in whether, in deepening the reform, we can form a new mechanism and system to carry out responsible administration in accordance with the functions of ownership rights, and correct the lag in reform of the structure of ownership-rights administration.

III

In early 1988, abiding by the principle decided upon by the party Central Committee on separation of government from enterprise functions, separation of the two powers, adequate separation of the ownership rights and operation rights of assets of state-owned enterprises, and separation of government departments' "double economic functions" (that is, functions of owners of state-owned assets and functions of administrators of socioeconomic activities), the State Council organized the national state-owned Assets Administration Bureau. It was designated to exercise specialized administration of all state-owned assets (including fixed assets, floating assets, and others), to perform the owners' functions, and to protect the owners' rights and interests. The principal functions of the administration were to see to it that the rational disposal and arrangement of state-owned assets of an operational or business nature are maintained through circulation of existing volume and the input of additional volume, that the enterprises' behavior is restricted through manipulation of the ownership-rights mechanism, and that the vast masses of staff members and workers are aroused to continuously raise production, operational efficiency, and effects, with the aim that the state-owned assets, besides maintaining their value, will continuously increase in value. In July this year, the State Council issued a "circular on strengthening the administration and management of state-owned assets." Urgent tasks at present is to earnestly implement the spirit of the central authorities, strengthen the administration of state-owned assets, and tightly manage the opportunity to set up a new structure for the administration of state-owned assets. The tasks advocated in this circular may be said to belong to the two areas of improvement and rectification and of establishment of a new structure. At present, improvement and rectification have already achieved obvious results, but the deep-lying contradictions in economic activities have not yet been settled. To solve the deep-lying problems, we should lose no opportunity to push

establishment of the state-owned assets administration structure. On the basis of smoothing out the relations of ownership rights we should further smooth out the various kinds of economic relations, and employ the functions of ownership rights to standardize the various kinds of economic acts, so as to consolidate the fruits of the reform in the previous stage, and of the improvement and rectification, and thus enable our national economy, which has the socialist public ownership system as its main body, to run on the track of sustained, stable, and coordinated development.

A. In the Area of Improvement and Rectification

1. We should grasp the accounting and checking of assets and funds, and find out exactly where we stand on resources, thus solving the phenomenon of confusion in ownership-rights administration. The tasks of clear accounting and checking of the assets and funds were advocated at the Fifth Plenary Session of the 13th CPC Central Committee. This time, the tasks arose from the demands of the planned commodity economy and were closely combined with the setting up of the new structure of administration of state-owned assets. First, ownership-rights relations must be clarified, to whom the ownership rights of the assets belongs must be fixed, and all state-owned assets must be uniformly placed onto the track of administration. At the same time, there must be a clear understanding of the ownership rights to be administered at various levels, and the central authorities must be able to control the greater portion of the ownership rights of state-owned assets. Second, on the basis of a clear accounting of the properties, creditors' rights, and enterprise indebtedness, we should check and determine the gross value of state-owned assets held or used by the various enterprises and units; and by means of scientific assessment and evaluation convert into present value the assets formed through the years so as to create the conditions for evaluation and checking. Third, we must set up and perfect various administrative systems and administrative and supervisory structures that take as their pivotal center the value-increment responsibility system of assets. And we must block the leaks and loopholes that cause losses in the state-owned assets and their benefits. Fourth, in the course of making a clear accounting of assets and funds, we must probe the ways and means to solve the problem of "eating up the original capital" in the operation of the state-owned assets.

2. We should clarify the confusion, prevent the loss or disappearance of assets, and protect their security. The various kinds of acts that damage the rights and interests of state-owned assets must be earnestly investigated, strictly rectified, and handled according to the law. The five major points of work are: a) Cooperating with the relevant departments to continue checking the property companies, concentrating in particular on checking, assessing, transferring, and taking over, as well as preventing the disappearance and loss of property in the process of "ceasing business, merging, and changing to

other trades." As for state-owned assets held by companies still in business, they should be duly registered and a sound system of administration and control should be established. b) State-owned assets in the hands of enterprises under the stockholding system, jointly financed by Chinese and foreign capital, or under the rental system should be subject to strengthened management, supervision, and checking so as to prevent and rectify damage to the state's interests. c) Strengthening the management and control of state-owned assets outside the country's territory and of the benefits therefrom, and protecting the security of state-owned assets outside the country. d) Irregular practices of enterprise units and certain administrative units making use of state-owned assets to seek private gains should be examined, rectified, and sternly dealt with if necessary. e) Regarding changes in the ownership rights of state-owned assets, we should establish and perfect a necessary system for checking, sanctioning, and registration. Due assessment of the worth of the assets should be made and the assessment results should be recognized.

B. In the Area of Establishing a New Mechanism

First, it is necessary to set up in the enterprises a state ownership-rights mechanism. Administration of ownership-rights should also begin to be embodied in enterprises in the contract system. The state-owned assets-administration structure should act as one of the constituents of the contracting-out party in its capacity as representative of the owner of state-owned assets. It should also take part in the second round of contracting work. In the contracting-out process, provisions should be added to cover the topics of maintaining and increasing value, inspection of targets, responsibility for checking and inspection, and strengthening supervision over the use of retained profit. At the same time, in conjunction with progress in the reform of the enterprise structure and the formation of large enterprise syndicates or groups, we should form within enterprise syndicates or groups representative structures of the ownership rights of state-owned assets such as a board of directors or board of supervisors. These can exercise directly the rights and power of the owner, display and enforce the stimulating and restrictive mechanism over the operators and the vast masses of staff members and workers, support the operators' boycott of irregular administrative intervention and/or impositions and levies coming from all sides, standardize the behavior of the enterprises with due regard to the interests of the state and the wishes of the people, and generally heighten the operational efficiency rate and benefits of assets.

Second, it is necessary to strengthen the administration of ownership rights in the course of investment and construction. In the "Eighth Five-Year Plan" period the target should be set to heighten the investment benefits and to deepen the reform of the investment administration system. It is also necessary to strengthen the role of the state in its capacity as the premiere or first investment main body so that, through the intermediary organs in the handling and operation of ownership rights

and the representatives of the ownership rights within the enterprises, it may carry out the necessary examining, sanctioning, restricting, guiding, and supervising of the direction of the state-owned assets; ensure that investment conforms with the demands of the state plan; implement the principle of practicing economy and achieving effects in planning and actual work; solve the problems of "everybody eating from the same big pot" and serious losses and waste in the course of construction.

Third, it is necessary, by means of the state plan and regulation by the market mechanism and through the movements of existing assets and rational input, to increase the amount of assets, to achieve a rational trend in the allocation and distribution of assets among the industries and trades so as to maintain a rational state in the industrial structure; and it is also necessary to readjust the asset holdings of enterprises and rationalize the amounts and technical composition of their assets. These are the requisites for maintaining relatively high operational effects of the assets. In the initial stage of the "Eighth Five-Year Plan" period, in combination with the work of developing enterprise groups and readjusting the industrial structure, we should further push for the amalgamation and merging of enterprises and promote the growth and development of exchange markets for idle assets, assets auction markets, and so forth, to gradually solve the problems of the overly large holding of assets and the low rates of interest and profits from capital funds.

Fourth, it is necessary to manage the building-up of a state-owned assets administration network. The state carries out a policy of unified leadership and administration at various levels over state-owned assets. In the transitional stage, temporarily based on the existing subordinate relations, in the localities and departments various kinds of branch representative organs of assets administration will be established to carry out administration of ownership rights. In the "Eighth Five-Year Plan" period, we should gradually organize various types of assets operation and management organs of the nature of an economic entity to serve as intermediary organs between the state-owned administration departments and the enterprises, with the full power and responsibility to administer the state-owned assets under them and to exercise the functions of ownership rights. Certain intermediary organs under the state's control that handle and deal in assets and estates and that are financially powerful, have strong competitive power in both the international and domestic markets, and strictly implement the economic development plan of the state should be used as investment centers and as operation and administration centers of ownership rights. And, together with the state-owned assets administration network jointly formed by the state-owned assets administration organs established according to administrative levels, and the intermediary organs of various kinds of economic entities, they can then enforce effective operation and administration of the state-owned assets.

Fifth, it is necessary to set up a legal system for the administration of state-owned assets. It is also necessary, with the objectives embodied in the improvement, rectification, and deepening of the reform of the administration of state-owned assets, to set up in a planned way the legal system for the administration of state-owned assets with the "Law on State-Owned Assets" as the center, so that reform and legislation can be closely integrated and there will be a law to serve as the basis.

The earnest strengthening of the administration of state-owned assets and performing a good job in the reform of the state-owned assets administration structure are related to changes in ideology and concepts, the departments' functions, and the order of work. They require the probing into and establishment of new organizational forms, a legal system, work system, and method of work, and they need a gradually progressing procedure. We must actively create the conditions and strive hard for their realization.

How To Do a Good Job as Party Committee Secretary

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in Chinese No 18, 16 Sep 90 pp 28-33*

[Article by Song Qingwei (1345 3237 3262)]

[Text] How does one do a good job as a party committee secretary? The answer to this question can be found in many excellent essays written by revolutionaries from the older generation, such as those by Comrade Mao Zedong, and from the rich experiences accumulated by the party. However, we are in a new and different situation now. We carry on the revolutionary theories and tradition, but we must also be creative. This can be accomplished only through the hard work of party committee secretaries. I would like to share with everyone my understanding of the issue.

I. A Party Committee Secretary Must Have a Sense of Responsibility and a Sense of Honor

A good party committee secretary must possess "a secretary's consciousness." That is to say, a party committee secretary must feel strongly about his responsibilities and have a sense of honor.

A party committee secretary should have a strong sense of responsibility. Whether the party can provide leadership in a work unit and whether party policy can be implemented at the grassroots level depends on how the party committee secretary carries out his duties. In the military, the job of a party committee secretary is directly related to the problem of safeguarding the absolute party leadership in the armed forces and safeguarding the political quality of the troops. That is to say, the quality of the party committee secretary's work influences every aspect of life. He can decide how a party committee is run. Comrade Mao Zedong once compared a party committee with a squad and a party committee secretary with "a squad leader." As I understand it, the

party committee secretary is the leader of the party committee; his job is to organize activities and take care of day-to-day business. Although the secretary has only one vote in the committee, he has the most important duties. In order to do a good job in the party committee, the party secretary has to have many good qualities, but he must first feel responsible and have a sense of mission. Without these qualities he cannot be a good secretary even though he may have many other virtues. To have a sense of responsibility is to be committed to the party and to serve the people wholeheartedly. A party committee secretary is required to be ideologically more advanced than other people. He must set higher standards for himself, and he has to sacrifice more and be more dedicated. Jiao Yulu was that kind of secretary. He exerted himself for the benefit of the people till the day he died. We want our party committee secretaries to be leaders like Jiao Yulu.

A party committee secretary also needs to have a sense of honor. We must emphasize this point more nowadays because, some time ago, cadres in charge of party affairs were greatly discouraged by the toning down of party construction and of ideological and political work. Some cadres lost their confidence and some changed their jobs. Now is the time for these cadres to stand up again and feel proud about working for the party. During the war, party representatives and Politburo members were looked upon as the embodiment of the party. They represented the flag and they were the core and the mainstream that kept the troops together. We can still make this happen today. If the party committee of a work unit is successful, that work unit will flourish and the people will have a cooperative and harmonious working atmosphere. Moreover, the party committee will be able to cultivate new people with the "four haves." Cannot the party committee secretary of a work unit, whose dedication has helped it succeed, feel proud and honored? Bourgeois liberals want to overturn party leadership by lowering the status and minimizing the roles of party workers. Individual party leaders committed a mistake when they decided to scale down party building. Party committee secretaries at all levels have to eliminate the influence of this mistake. We should never belittle or look down on ourselves. Only if we establish a sense of honor will we have the confidence and courage to become good party committee secretaries.

II. A Party Committee Secretary Has To Control the Overall Working Conditions

A party committee secretary has to be able to control the overall working condition, which means he has to understand the situation, know how to use people, be good at solving problems, and excel in making decision.

1. To have control of the situation means to have a clear idea of what is going on. This is like playing chess. A good chess player will usually have the layout of the game in his mind. When the party committee secretary does not have a game plan, perhaps he can make a few

successful moves, but he will not be able to elevate the overall quality of party building. A party committee secretary has to take care of his day-to-day business, but he should not be so involved in it that he loses sight of the overall situation.

To understand the overall conditions it is important to understand the correct political direction. Some comrades may say that this is the job for the leaders above, while political direction is not an issue at all down at their level. This is not true. For instance, when the government made strategic changes in the guidelines for military construction, some units misunderstood the new guidelines. They thought they were told by the guidelines to "make money first, promote security later, and train if time permits." When society was flooded by bourgeois liberalization thinking, some units had problems because they had degraded ideological and political work. When the wind of high consumption was blowing, some units decided to promote conspicuous consumption. When "business fever" became an epidemic, some officers in charge could think of nothing but making money outside. In the same circumstances and climate, why were some people able to resist temptation while others could only follow the trends? The answer is that some of us did not follow political directions. In short, leaders have to follow political directions, as do comrades at the lower levels.

If we are to stay on the correct political path, first, we must follow basic principles: The basic party line of "one center and two basic points," the party's leadership over military forces, and the excellent tradition of the party and the armed forces. If we run into special situations, such as when there is a complicated political struggle, we will find it difficult to understand certain problems. There will be contradictory voices and mistaken ideas. The obstacles may be overwhelming and the situation difficult. During those times, it is particularly important that we maintain our firm beliefs and follow basic principles. Second, we have to understand the work orientation. If we cannot grasp the essence of our work, we will make mistakes and the whole situation may get messed up. The issue of orientation exists in macropolicies, microadministration, the drafting of party policies, and the implementation of party lines. We need to integrate general planning with substantive work and combined macropolicy with microadministration. Third, we need political sensitivity so that we can unearth problems of political direction. There are principles and substance in political direction that evolve through substantive problems and concrete work. Sometimes, certain things may look trivial yet have political significance. For instance, some leading comrades think that mistreating soldiers is a concrete problem that concerns only the administration, therefore they are not too eager to deal with the issue. In fact, military administration is a political affair. The treatment of soldiers is connected with the political principle of maintaining military stability and safeguarding the quality of the armed forces. Only when we know how to look at this

problem from a broader viewpoint can we safeguard the unity between the military forces and the people. That is the kind of political sensitivity a party committee secretary must have.

In order to stay with the political direction we must pay attention to important issues. At present, we must first pay attention to international political changes. In particular, we should keep an eye on the struggle between "peaceful evolution" and "counter-peaceful evolution." Second, we must pay attention to the political and economic conditions in our country and watch out for political changes that may damage social stability. Third, we must pay attention to struggles in the ideological field and watch out for incorrect social thinking or Western values and concepts that may have an impact or influence on the armed forces. Fourth, we must pay attention to troop development, especially in the political realm. Fifth, we must look after the key projects in military units and pay attention to their political inclinations. Only then can we control the overall conditions and the future development.

2. We have to know how to make good use of people. If a party committee secretary wants to keep the overall situation under control, he has to choose his cadres wisely. If he employs the right people, even though his unit may have been backward, it will improve. Employing the wrong people will turn an advanced unit backward. On the issue of personnel selection, both the central government and the Central Military Commission have given us clear guidelines and principles. For instance, we prefer people with both moral character and talent. We must make our choices based on these qualifications, finding people from all corners of the country. We have cadre exchanges and allow upward and downward mobility. We should uphold these principles when selecting cadres. There are other problems requiring our attention. First, we must understand "our squad members" thoroughly. The secretary has to know the individual characteristics and strong points of his committee members. He makes use of their strong points and steers clear of their shortcomings. He encourages his members to take the initiative more and make the best of their good qualities. Furthermore, he must know how to delegate responsibility. He should be confident in his members' abilities and delegate power to them. He requires them to meet his strict standards and, at the same time, provides them with sufficient supervision. This is to make sure that all members are able to perform their duties, finish their assignments, and follow the committee's planning. Finally, the secretary has to keep his team of cadres in good shape and gradually improve their overall qualities.

3. A good secretary should deal efficiently with problems. That is to say, he must be able to solve complicated problems and take care of any complex situations. It is impossible for any unit or troop to always avoid difficult situations. A party committee secretary is able to take care of the overall situation if he knows how to handle difficult problems. Some party committee secretaries

have been too indecisive in solving difficult problems, never find any solutions, and are unable to make up their minds. They often beat around the bush and make their problems more complicated. People end up losing faith in them. A secretary cannot be afraid of conflict. He must face the problem and look for a solution. Generally speaking, if a problem is difficult enough to enlist the help of a party committee, how it is solved will have a great impact on the whole unit and will affect everyone's feeling about the committee. If the secretary can overcome the obstacle, his unit will be mobilized to work better. If the secretary cannot solve the problem, the people in his unit will become passive and refuse to take the initiative. Sometimes, although a comrade is new to the unit, he can fit into his job very quickly. This is possible simply because he has solved a couple of difficult problems right at the beginning. Often a secretary becomes more competent and capable after he solves difficult problems. He will make a name for himself and gain the trust of the people if he is able to deal with thorny situations.

4. A secretary must be good at making decisions. That is to say, he has to have good ideas. A general has to be able to formulate strategy. It is not easy to think of ideas and make decisions. When making a decision, a secretary must overcome two tendencies. He should not just follow directives and pass on messages from above. The other thing he must not do is make decisions on his own, without seriously examining the evidence or providing sufficient proof. Some people are so impulsive that they make decisions without much thought and they often blunder and get into trouble. But a secretary makes a decision only after he has a correct and objective understanding of the situation. He first sorts out all the conflicts and tackles the major difficulties. He carries out the orders of his superiors, he is careful and his attitude is scientific. The quality of decisionmaking in a party committee is related to the qualifications of the secretary and the deputy secretary. Comrades in leading positions must improve their abilities to make decisions.

III. A Party Committee Secretary Is a Mediator Who Keeps "The Squad" Together

There are many types of work relationships within a party committee—between the secretary and the deputy secretary, between the secretary and his committee members, and between the members. "The squad members" of the committee come from "all corners of the world" and look at things with different perspectives. They have individual personalities, experiences, and positions. It is therefore impossible not to have friction or conflict when they are working together. This is where we need a secretary, the mediator who can smooth out the rough patches. His job is to help the members get along, concentrate their energies, and form unity. If the secretary is not attentive enough, if he cannot make everyone work together, or if he is incapable of "rounding up his squad," then he is not a qualified secretary.

To be a good mediator, a secretary has to look squarely at any conflicts in his committee. Some committee secretaries ignore the fact that there are rifts among the members and shy away from the problem. They even cover things up. If the working conditions are like this then the committee members cannot hope to have good working relationships with each other. Some party committee secretaries have very difficult personnel problems simply because they refuse to tackle conflicts right at the beginning. When a problem first comes to the surface, the secretary averts his eyes and ignores it. The second time, he mentions the problem in an undertone. The situation repeats itself over and over again, conflicts accumulate, and relations become more complicated. By the time the party secretary notices that he has a big problem, it is almost too late to correct it. If the secretary exposes the conflict and solves the problem right at the beginning, even though this may take some effort, his committee will be guaranteed a smooth working environment.

A party committee secretary needs "courage" and "tact" when he mediates. A tactful secretary follows his principles and at the same time shares his feelings with his members. He follows principles, which means he must distinguish right from wrong and solve intraparty conflicts by means of criticism and self-criticism. This is our party tradition. Comrade Chen Yi once said, "It is a treasure to have an honest friend who will give straightforward criticism." It is rare now for anyone to criticize others or to engage in self-criticism, and, even when we are able to criticize ourselves, we cannot stand being criticized by others. Because of this, it is difficult to establish true friendships among comrades. When we say we follow principles, it does not mean that we deny our feelings. Feelings are an invisible force, the bonds of human relationship. If we have friendly feelings for each other, we open up and become more understanding. If we become indifferent to others, the bridge of communication will disappear and we lose the common ground for cooperation. When this happens it becomes difficult to solve even small conflicts. Some comrades never bother to cultivate friendships or have exchanges with others. Day in and day out, their faces remain expressionless. After a long time, relations among the members become cold and distant. If this is the case, it will be impossible to keep "the squad" together. A party committee secretary has to help his members maintain close relationships. When the committee members achieve success, he must show appreciation. When problems arise, he must be able to help. When there are difficulties, he must be capable of offering solutions. He must build a friendly and honest relationship with his comrades. People feel happy when they work together with the party secretary. They miss him when he has to go. In the squad they are comrades-in-arm and they remain his friends even after he leaves them.

There are ways to take care of work relations in a party committee. Committee members may bear grudges, but the secretary has to find out the circumstances and

reasons behind these complaints. Sometimes the problem has to be presented in the committee meeting and sometimes it can be solved by the secretary talking with the individuals involved. If the problem has to be solved at a committee meeting, the secretary has to prepare for the meeting and do cleanup work afterwards. Sometimes, if the complaint is not a matter of principle, if it is only a misunderstanding or a personality clash, it can be solved by the secretary talking and explaining to the people involved. If we put every problem on the table at a meeting, we may make the situation worse and the results may not be good. Moreover, a secretary needs to unite with those comrades who disagree with him. Comrade Chen Yun said that it was difficult to find people who would oppose us even if we pay them. If a secretary can win over the people who hold different opinions, he will have every one of his committee members rallying behind him. In order to achieve this the secretary has to take the initiative. He needs to be more humble and be harder on himself. He should not wait for someone to come to him; he should not always think of this high rank, nor should he worry that someone may take advantage of him.

The unity of the squad depends on a good relationship between the secretary and the deputy secretary, which should be harmonious and not hostile. We can learn a lot from the historical friendship of Lin Xiangru and Lian Po. Lin Xiangru would endure humiliation and Lian Po would offer apologies. They both had the same concern—the safety of their country. Without this mutual spirit, the story of "reconciliation between the prime minister and the general" would not have had a good ending. People who are party members, leading cadres, and especially the secretaries and deputy secretaries of party committees, should have this spirit of cooperation. Comrade Yang Baibing said, "If the squad cannot get along and there seems to be nothing to hold them together, the trouble has usually started with the top two people. A government office or a troop is dependent on its committee and the committee is dependent on the people in charge. It is also a proven fact that if the top two people of a committee work well with each other and form a core, then solving conflicts between the members will be easy." These words thoroughly explain that the secretary and the deputy secretary have important roles and responsibilities, that is, to safeguard the unity of their committee. We may be able to overlook the fact that the secretary and the deputy secretary do not have the best qualifications. But we cannot forgive them if they won't help their committee members get along. The secretary and the deputy secretary have to respect, support, and help each other. They should communicate with and relate to each other and consult each other at work. They should not fight for the limelight. Decision-making should not be done by one man alone. No authoritarian-type figure should be allowed, because such behavior does not promote committee unity, enhance progress for the troops, or encourage individual improvement.

IV. A Party Secretary Has To Master the Art of Holding Party Committee Meetings

To clarify ideological problems, we have to hold party committee meetings. Many difficult issues and conflicts must be solved at party committee meetings. Important decisions have to be made at committee meetings. Holding meetings is the way we implement the collective leadership of party committees. In 1949, Comrade Mao Zedong said in his article, "The Work Procedures of Party Committee Meetings," that if a party committee secretary cannot run a meeting, then he cannot lead his squad members. In his paper, "How To Improve the System of Party Committees," he explained in detail the importance of these meetings and the way to hold meetings efficiently. This shows that knowing how to run a meeting is vital to committee leadership. Here I would like to explain four points.

First, there need not be any rush. Some comrades say that to have a successful meeting, the secretary must work both on and off the stage. This is a lesson learned from experience. To hold a party committee meeting is a serious matter. The result of the meeting may differ, depending on whether we have made any preparations and whether the preparations have been good enough. If we go on stage hastily, the results will not be as good and we may even create negative effects. We have to make a lot of preparations before a meeting. Besides choosing and deciding on the topic for discussion, we have to notify and explain things to our members—to give "a reassuring notice." As a rule, we tell the participants the discussion topic, the general background, and the proposed plan ahead of time, unless it is an emergency meeting. This way all the comrades come to the meeting prepared. A party committee secretary has to understand that a meeting should not be treated as a formality. Everyone comes to the meeting to participate in the decisionmaking process. If participating members have no idea what will be discussed in the meeting, they will not be able to make good decisions. It is also important that the secretary and the deputy secretary first exchange viewpoints. If these two can see eye to eye, it will be easier to reach agreement with the rest of the squad members. However, to notify members ahead of time does not mean to cook up an agreement before the meeting. We should not allow the situation where only the secretary, deputy secretary, and a few people can make decisions.

Second, we should not automatically turn to voting whenever we have problems to solve. When a party committee tries to make decisions on important matters, it has to ask everyone to vote, but voting must be taken seriously. We should not simply raise our hands and make every decision by voting. Committee members have their own perspectives and it is normal to have different opinions within the committee. Under normal circumstances, we can usually find common ground when we given enough time for preliminary informal discussion. If we vote on a decision without first giving the matter thorough and sufficient discussion, it will be

difficult for the committee to follow central guidelines and implement party committee policies. This will also cause bad feelings. No matter what difficulties we have to overcome or what the situation is like, we must let all the members express their opinions. They should have the chance to talk and discuss. The decision by voting will come later. The secretary needs to sort out correct opinions and opposition opinions. He also need to help the people who have not made up their minds. If the opinions are too contradictory—unless it is an emergency situation—the secretary can ask to postpone making the decision. Of course, this does not mean that the decision will be "decided next meeting" whenever there are differences of opinion. If we have to wait for a unanimous vote each time we will be unable to make progress.

Third, the minority must go along with the majority. However, we must also respect the minority. We have said that we try to have a united standpoint in party committee meetings. A united standpoint means a standpoint that is agreed on by the majority of the members, not the standpoint of the secretary alone. The atmosphere of a party committee meeting should be democratic, where everyone is allowed to present his viewpoint. The secretary must obey the majority and he must distinguish between individualism and collectivism. No matter how high ranking, experienced, and capable the secretary is, in a party committee meeting he has only one vote, the same as other members. He cannot simply force the others to a similar viewpoint, nor can he insist on ruling by his words alone. A secretary must be good at persuading and obeying people. Moreover, he should not ignore opposition from the minority. People with contradictory ideas usually fall into three categories: Those with mostly incorrect opinions, those whose opinions contain partial truth, and those who have truth on their side. We welcome people with correct ideas and accept their suggestions. We should try to persuade, not coerce, those who think incorrectly. We should not skip over any good ideas and we must accept advice from the majority. This is a good way to mobilize committee members into taking the initiative.

Fourth, we must not forget our duties after meetings. Some comrades never pay attention to their duties afterward. They think that when the meeting is over, so are their responsibilities. This is not right. There are two things we must do after a meeting ends. One is to continue to help the committee members understand the issues being discussed in the meeting. It is important that we talk to the comrades whose proposals have been denied and make them feel at ease. We must make sure that these comrades will not feel uncomfortable when they have to follow orders or when they have to carry out the collective decision later. The second thing we must do is to assign duties. After a meeting, the two people in charge—the party secretary and the deputy secretary—need to divide up their duties. They must proceed to implement the decision, reinforce supervision and examination, and make sure that their policy is being carried out properly.

V. A Party Secretary Has To Have a High Level of Refinement

A cultivated person is a person of good character and high self-esteem. If a secretary is cultivated, he will gain trust, be able to stimulate others, and he will provide leadership. Refinement is a symbol of maturity. When we say Comrade So-and-So has a high level of refinement, it means that we trust and respect him. A secretary can distinguish himself in many areas, but the basic requirements are as follows:

First, he must be pure and just. That is to say, his character and motives have to be good. To be "pure" means to uphold the party's principles and refuse to be swayed by personal consideration or personal gain. His goal is to build the party and serve the interests of the people. He is selfless, taking the welfare of the party and of the people seriously. He is dedicated and willing to make sacrifices. To be "just" is to be straightforward and fairminded. He thinks and acts the same way. He is open and aboveboard. As Communist Party members we must be pure and just. A party secretary has to make people feel that he is trustworthy and that they can feel safe around him. If people have to be cautious whenever they are around a party secretary, he will pretty soon be an isolated secretary.

Second, he must be broad-minded. Whether in the past or the present, people of importance are always open-minded and tolerant. There is a saying to describe this: "One can row a boat in a prime minister's stomach or ride a horse on a general's forehead." During the Han dynasty, a very capable man named Jia Yi was so aggravated by his colleague's slander that he died in his 30's. Later, someone wrote an essay called "The Evaluation of Jia Yi." In this essay, the writer commented that Jia Yi was "ambitious but narrow minded, highly qualified but shortsighted." A party committee secretary runs into many obstacles and meets all types of people. He will not be able to do his job if he cannot stomach the demands. Comrade Deng Xiaoping said, "We have to be farsighted and broad-minded." This should be our motto. The term broad-mindedness denotes acceptance of others and tolerance of opposition. We should accept many types of people, whether they are better or worse than we are or whether they often agree or disagree with us. We must accept them and get along with them and we must also be tolerant. Sometimes we have to give in and compromise. We make no fuss even if we are being wronged. If a project is successful, let other people get the credit, and, if it fails, we take the blame. There is an old saying: "The ocean accepts hundreds of rivers. It is great because it encompasses all." A party committee secretary needs to have this quality.

Third, he must be stable and prudent. A party committee secretary is in a central position and is in charge of the whole situation. One wrong attitude or decision will have a negative impact. A secretary has to be able to make decisions and act cautiously at the same time. "One should remain calm at crucial moments." Even if

a secretary is under pressure, he has to steady himself, keep calm, and avoid making rash moves. When there is an emergency he must keep his faculties together and think carefully of a countermeasure. Before he makes his move, he must consider all the factors involved and think of any possible effects his decision may have. He looks back, looks ahead, and is careful in taking action. He won't let success go to his head. He does not get over confident, even if he is praised by his superiors and by the people working under him. Even when he runs into trouble at work, he conveys confidence. Instead of becoming agitated and despondent, or complaining, he will analyze the problem objectively. If there are internal conflicts and arguments among the committee members, he will stay calm and reason with them. He will try to mediate and persuade. When he is misunderstood or treated unjustly, he does not get excited and defensive. He will patiently explain the situation and wait for the result to justify his action. In short, a secretary has to know when to deal with a problem and when to leave it alone. He knows when to catch up and when to stay put. Only a person like this can be the backbone of the "squad."

Fourth, he must be honest and disciplined. People judge a cadre by his honesty. A secretary has more power than other comrades and many people want to enlist his help. They will surround him and provide him with many conveniences. It is easy to get into trouble if he is not careful. Some comrades are qualified in many ways except in honesty, and thus they ruin their reputations. In the era of reform, openness, and commodity economic development, we ask the leading cadres to behave themselves. They must have self-respect and conduct themselves with dignity. More important, they have to have self-discipline. That is to say, they have to restrict and supervise their own behavior and set a good example for others. In assigning jobs, a party committee secretary must avoid nepotism. He has to make sure that there is no corruption. He shares comforts and hardship with the masses and he is responsible in his work. Because he is the model of honesty and sets the standard of honesty, more is expected of him. The standard for himself should be higher and stricter. There are two sayings we should remember. One is "honesty bears authority," the other is, "we are strong when we desire nothing." If we have too many desires we will not be able to stand up straight in front of the committee members and the people. We won't be able to uphold party principles, nor will we be able to control others. The essence of party spirit and party morality is honesty and self-discipline. We must control ourselves, our relatives, our friends, and the comrades around us. We want dignified and clean party committee secretaries.

The Masters Are To Play the Lead in Stabilizing Enterprises—A Survey of Yueyang General Petrochemical Plant of the Baling Petrochemical Corporation

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[Article by the Policy Research Office, Yueyang City (Hunan Province) CPC Committee]

[Text] Stabilizing enterprises is an important part of stabilizing society and is the basic prerequisite for ensuring the continuous development of the economy. How to stabilize enterprises has become a big and important topic in economic work. In this connection, the Yueyang Petrochemical Plant of the Baling Petrochemical Corporation has carried out a beneficial survey. This large petrochemical enterprise, with over 17,000 staff members and workers, mainly produces three synthetics (synthetic fiber, rubber, and resin). From its establishment and in the subsequent period of production, during periods of smooth development or of hardship and difficulties, when the social atmosphere was generally stabilized or when there was partial turmoil, it has from beginning to end passed the controlling rod of stabilizing the enterprise on to the worker masses, allowed the working class to be masters of the house, and relied on the masters to take the lead in stabilizing the enterprise. It has reaped good results. In the more than 20 years since the plant's establishment, there has not been a single case of mass unrest nor have there been any malevolent incidents. In particular, during the period of general unrest between spring and summer last year, the 36,000 cadres, staff members and workers, family members, and students and apprentices were united into one body, repulsed outside interference, and not a single person took part in the outside activities. They maintained a stable situation of no confusion in thought, no dissolution of their ranks, no stoppage in production, and no reduction in effects and benefits. In the whole year, it fulfilled the state plan 139 days early, realized an output value of 460 million yuan, produced profits and taxes of 120 million yuan, and created the highest level in history. Its three branch plants were promoted to the rank of the country's second-grade enterprises, and the general plant was given the title of an advanced unit in civilization construction in Hunan Province. Since 1987, for three years in succession, it has been termed a superior unit in ideological and political work. In the first half year of this year, it maintained a steady development rate in production and, compared with the same period of last year, its growth in profit and tax was 18 percent.

Letting the Staff Members and Workers Educate Themselves

This plant is located on the northern outskirts of the famous city of Yueyang in northern Hunan. The double-track Beijing-Guangzhou Railway, which links the northern and southern parts of China, passes through the plant's area. Here, communication facilities and news transmission are quick and efficient. Society's various kinds trends of thought can spread here very easily and produce effects. Because of this reality, the plant's leadership is very watchful of the direction of flow of social thought; it knows and grasps the ideological conditions of the workers. The workers are organized to educate themselves, thus strengthening their power to resist the inroads of various kinds of bad and impure thoughts.

First, the staff members and workers were organized to develop the "four have's" education to counter the bad air of "always seeking money" and looking for enjoyment. This enterprise has a high degree of mechanization, electrification, and automation, and, although labor intensiveness is not great, it is rigid in adherence to discipline. At a time when society's value concept is slanting to one side and there is a trend of "all for money's sake" and of seeking luxury and enjoyment, among certain workers there appeared a change of thought that affected the stability of their ranks. The party committee was able to promptly grasp the pulse of this thought, analyzed the causes, and came to the conclusion that workers of the current era possessed the characteristics of striving for many sides. Aside from striving for material interests, their demands were also on the political, cultural, and spiritual sides. Only by allowing the staff members and workers at their post and in their enterprise to realize their thoughts could the storms and waves be avoided and could they be at ease in their posts. As a result, the leadership organized the staff members and workers to develop education in becoming new persons with "ideas, virtue, culture, and discipline." Seven labor models were selected to form a rotating ideology-and-discipline reporting team to go to the various plant units in rotation, make speeches, and offer themselves as examples. Competitive activities bearing the theme that the "model is in our midst" and "ideology is in our post" and so forth, were developed, as well as other activities bearing the theme of "building talent in the posts" such as technical training, technical drilling of soldiers, technical contests, and technical demonstrations. Through these contests, checks, and examinations, those with superior performances were awarded honor certificates and were given higher wages, promotions, and so forth. This served to arouse the warm sentiments of the staff members and workers of "loving the post, fulfilling the target, fighting for honors, and building talent." Deepening the development of the "four have's" education has not only brought about stability in the ranks of the workers, but has also aroused the activism and enthusiasm of the masses of staff members and workers. Some of the workers put their warm feelings of becoming new men of the "four have's" in concretely enforcing the theme of "building talent at their posts," and painstakingly began to learn about culture, science, and technology. In the whole plant, 1,987 workers were promoted to the rank of senior-grade technicians, 59 workers were appointed teachers in technology, 1,888 primary-grade workers were promoted to medium-grade workers, of whom 1,165 became skilled hands, and, in addition, 46 workers were adjudged to be "workers with the title of doctor." More than 500 workers took part in the self-study examinations and one-fifth of the total number of workers in the plant were known as "students of five colleges," (broadcasting and television, staff members and workers, spare-time, correspondence college, and self-study college students).

Second, the staff members and workers were organized to develop the "four loves" education, principally

against the attack of the ideological wave of bourgeois liberalization. Several years ago, for various reasons, the ideological wave of bourgeois liberalization was rampant in society and caused utter confusion in thought. In order to boycott the attack from this vile atmosphere, the party committee of the Yueyang Petrochemical Plant, beginning in 1987, organized the staff members and workers to develop the "four loves" education, that is, "love the fatherland warmly, love the Communist Party, love socialism, and love Yueyang Petrochemical Plant." In combination with the realities of the development of the plant, they compiled a history book titled *The Green Hills Will Not Forget*, produced and recorded a television film with the title *Song of the Spirited Flight*, and produced a show in five parts, titled *Yueyang Petrochemical's Men*. They used what happened around the workers to educate them, and made everybody look at the whole country through Yueyang Petrochemical Plant to fully understand the strong points of the socialist system. With this common understanding of the "four loves," when people attempted to enter the plant at the time of last year's turmoil to fan and induce the workers to stop work and production, they were resisted strongly; when certain trucks with various kinds of reactionary slogans posted on them attempted to enter the plant to take delivery of goods, the workers responsible remonstrated strongly and laid down the rule that they would not deliver the goods unless the slogans were removed. This aptly manifested the firm political and self-conscious character of maintaining stability by the working class.

Handling Justly the Problem of the Intimate Interests of the Staff Members and Workers

Generally speaking, conflicts of basic interests do not exist among the working masses. In a large enterprise like the Yueyang Petrochemical Plant, which possesses good conditions on various sides, there is no likelihood of such conflict. However, this does not necessarily mean that there is complete unanimity on all problems. For example, there are sensitive problems concerning the intimate interests of the staff and workers, such as transfers of posts, wage adjustments, promotions, housing distribution, performance assessments, and other problems such as "changing the peasant status" of family members and children and their job arrangements. If these problems are not handled well, staff members and workers may react badly, and this may bring about instability. Hence, the plant's leadership has firmly insisted on displaying the spirit of democracy, taking the line of the populace, and turning over power to handle this conflict to the employees' representatives congress. The representatives congress, based on the party's guideline and policy and the actual conditions of the staff members and workers, after fully hearing the views of various sides, would then seek truth from facts and deal justly with the problems. At the same time, the party and administrative leadership would promptly guide the functional departments to do ideological, political, and cooperative work well, truly attaining the

position of "being concerned but not overdoing; making efforts but not interfering." The representatives congress formed a committee on the living and welfare of staff members and workers. The committee was composed of 19 people chosen from the various branch plants and units. These 19 were workers who had a just and reputable character and possessed definite work ability. They were specially responsible for enforcing the decisions of the representatives congress, adequately handling various problems related to the interests of staff and workers, and setting up a set of just and workable operational mechanisms.

1. The committee accomplished the feat of having "two things open," this is, the system of work and the implementation program are open to the public. The degree of transparency was strengthened and supervision from the masses was accepted. Take, for example, housing distribution, which was one of the problems giving people a headache; but what had appeared to be difficult was not difficult at all. The employees' representatives congress fixed a point-giving system according to the worker's length of service, age of the plant to which he belonged, and his own age. Housing distribution was made according to high and low points, without exception. By so doing, matters which could have caused a headache became routine ones to be handled according to the rules. In recent years, the plant has built a large number of residences. Quite a number of the staff members and workers have moved to new houses and there have never been any disputes concerning housing.

2. The committee ensured the "two priorities," that is, priority to the first-line workers and labor models, including intelligent elements with outstanding contributions. It encouraged the workers to go to places of hardship to work there diligently and to accomplish feats. The employees' representatives congress believed that, in adjusting the conflicts of interest, among the workers we should not only be democratic, but also progressive and constructive so as to push the enterprise to develop continuously. Hence, on the sides of assigning work, increasing salaries and wages, providing for learning and further studies, and granting leave and giving medical benefits, certain preferential policies have been formulated. Concurrently with giving priority treatment to first-line workers and labor models, including intellectual elements with outstanding contributions, regarding scientific and technical personnel at the midlevel and above, the committee has done the utmost to help them solve the difficulties of husband and wife working and living in different places and problems of housing.

3. The committee watched the interests of the three sides, that is, it correctly handled the long-term development of the state and enterprise on the one hand and the current benefits of the staff members and workers on the other, enabling the staff members and workers to obtain long-term benefits through the stable development of the state and the enterprises. In recent years, concurrently with the whole plant ensuring the yearly use of 80

percent of the profits on renovating the equipment, expanding reproduction, reinforcing the reserves and stamina, and thus making more and greater contributions to the state, it also ensured that the income of the worker masses would be increased according to development of the plant's production, and the extensive masses of the workers have all expressed their satisfaction.

Sincerely Seeking Advice and Suggestions From the Staff Members and Workers

In the second half of 1989, due to the tightened money market and generally sluggish market, a large state-owned enterprise like the Yueyang Petrochemical Plant was rather violently affected, meeting with many difficulties. Popular products such as fine polyamide fiber, polystyrene, and polyethylene, which in the past were likened to an "emperor's daughter who has no fear of being unmarried," experienced dropping sales and were stockpiled to the amount of over 100 million yuan. Other chemicals and raw materials that were urgently needed from abroad, such as dimethyl ester, hexano lactam, and bisphenol, could not be procured because of the shortage of foreign exchange. Because fuel was changed from oil to coal, production costs rose by 40 million yuan, and so on. Under such conditions, the plant leadership did not wait passively nor did they close the doors to come up with a scheme. They frankly told the workers about the difficulties and sincerely asked for help and advice from them. The party and administrative leadership of the general plant went among the workers and earnestly developed the "talk on five togethers," namely, talk on the situation and tasks together, on the target and measures, on the problem and prospects, on difficulties and opportunities, and on pressure and motive force. The staff members and workers were organized to engage in the great debate on "what should the enterprise do when the state and enterprise has difficulties?" After the workers understood the difficulties of the plant, they remained calm, did not slow or stop work, and did not blame the leadership. They loudly sounded the slogan to the effect that when the state is in trouble, the enterprise would share the heavy burden, and when the enterprise is in trouble, the staff members and workers will bear the burden. From the upper to the lower ranks of the whole plant everybody was soon engaged in the hot wave of "offering plans and suggestions, and sharing the plant's grief and troubles." Over 10,000 workers offered more than 26,700 rational suggestions, of which over 8,300 were adopted and 4.23 million yuan in results was created. The suggestion made by one of the workers increased results by over 200,000 yuan. Over 1,300 workers feared no hardship and went to some 287 households throughout the country to conduct door-to-door sales of the products; more than 1,680 engineering and technical personnel went deep into first-line production and procured contracts for nearly 100 different kinds of scientific and technical projects. Workers on over 20 production lines, starting with their own posts, and by increasing production and practicing economy, created an output value of more than 2 million

yuan; and over 3,000 workers did extra work without accepting overtime remuneration. In several months 40,000 tons of stockpiled products were sold; increased production and economizing netted output value of 30 million yuan for the plant; over 30 scientific and technical results and seven new products were brought into being, of which two received the scientific and technical accomplishments award from the China Petrochemical Plant. Thirteen projects were given intelligence achievement awards by the plant, while the YX and FU series of flotation agents were honored with the state's fourth-grade invention award. By the end of the year, the whole plant smoothly realized the three growth rates of development speed, economic effects, and scientific and technical progress.

Placing the Leadership Under the Supervision of the Staff Members and Workers

In recent years, certain party members and cadres have relaxed their self-control, and complaints and talk from the workers masses have gradually appeared. In the opinion of the plant's party committee, the party and administrative leadership should set an example for the masses. They thought that only when the staff members and workers were satisfied with the conduct and behavior of the leadership could there be stability in the ranks and in the enterprise. Accordingly, the party and administrative leadership of the plant were determined to place themselves under the supervision of the masses of staff members and workers. First, the posts of intelligence reporters on party atmosphere were established. From among the workers, the plant's party committee selected 500 comrades who had definite ideological consciousness, were concerned with the party's construction, and dared to speak the truth, to become party atmosphere intelligence reporters. They were to periodically reflect to the general plant's disciplinary committee, the demands and suggestions of the masses concerning party atmosphere construction, and the problems currently existing in the party. Complaint boxes on party atmosphere were set up and the workers of the whole plant were led to supervise the construction of the party. Last year, the party intelligence reporters wrote and visited the disciplinary committee of the plant 40 times, reflecting the problems existing in party atmosphere, and they were all handled well. Second, the system of representatives going to the posts of the staff members and workers was installed. The whole plant selected several scores of representatives of staff members and workers who periodically, and in rotation, went to posts in the general plant and the branch plants to investigate work, handle problems, and supervise the leadership at least four times each year. Third, the system of democratic assessment of the cadres was enforced. The various branch plants and units invited the representatives of staff members and workers to assess and comment on leadership cadres above the rank of assistant section chiefs, while the general plant held a commentary and assessment session on 150 department heads of the various branch plants. This was done by

having 600 representatives of the workers cast confidence votes and give their views. After checking it was found that four of the department heads had failed to obtain more than 50 percent of the confidence votes. They were accordingly demoted to a lower rank.

Participation of the workers in the supervision of party atmosphere greatly pushed the progress and improvement of the party. Of the 4,800 party members in the plant, the great majority could not only take the lead, and actually took part in learning, work, and production, but were also honest in their duties and refused to seek private gains. Of the 40 kinds of products of the plant, quite a large proportion were highly marketable goods. Those taking charge of these products were mostly party cadres. They all worked according to the established rules and refused to trade power for money. In 1989, there were 644 party cadres in the whole plant who refused to accept presents and rebates amounting to some 127,000 yuan. When related to the problem of individual interests, many of the party members exhibited a highly commendable stance and won good comments from the workers. At the same time, the workers' participation in the supervision of party atmosphere has rendered this relationship between the party and the masses even closer. The worker masses, in their participation in the supervision over party atmosphere have acquired a greater understanding of the leadership cadres' ideology, character, and conduct, and the work of the whole plant. They came to realize that the corrupt phenomena and improper atmosphere existing in the party did not represent the party's essence and mainstream, and that we should not place the responsibility on the shoulder of the extensive masses of party cadres. As a result, they consciously corrected their misunderstanding and were in greater and closer communication with the party cadres. In the general plant, there were over 200 "half-sided households," consisting mostly of old employees who had joined the plant in its initial period of establishment. In the past, they had been very much dissatisfied with how the plant handled changing their family members and children from peasant to nonpeasant status. They complained about the plant's lack of concern. In taking part in the supervision, they discovered that the plant had done its best and exerted the utmost efforts in their cases, and that it was not because the plant did not have the workers' interests in mind, but because the state had its own difficulties. Hence, their dissatisfaction and grumbling were done away with, and they declared that, although their problems might not be solved at the moment, they would still perform their production work well.

On Evolution of Concepts on Literature

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[Text] Constant and immutable concepts on literature cannot and do not exist in this world. Marx and Engels

said that "each generation continues to engage in the activities of their predecessors under changed conditions on the one hand, and changes the old conditions through completely changed activities on the other."¹ Thus, as livelihood conditions, creative practice, and scientific thinking develop, concepts on literature invariably find themselves in the course of constant evolution.

It is by no means fortuitous that concepts on literature have seen such pressing evolution over the past 10 years. During the period before the Third Plenary Session of the 11th CPC Central Committee, particularly during the 10 years of disaster, many literary problems were dealt with in an oversimplified, lopsided, and linear manner. Some literary problems were designated as prohibited areas, shelved, or rarely touched upon. The changes in and development of 20th century world literature have posed many new problems and, if we want our theoretical study to keep in touch with reality, we must make new generalizations and summations. In this sense, the evolution of concepts on literature is unavoidable. However, certain incorrect tendencies have been found in people's understanding of the evolution of concepts on literature over the years. Discussion and clarification are in order.

I

Concepts on literature must undergo evolution. However, this evolution does not refer to the negation of "traditional" concepts on literature which have Marxism as guidance and it does not start from zero. There will never be genuine evolution and progress in concepts on literature if we attempt any of the following:

Follow the example set by some articles published a few years ago by publicizing that "traditional" concepts on literature "have become outmoded" and that the mode of social-historical criticism "has reached the end of its road"; assert that "literature is literature," "there is no need to designate life as a separate source of literature," and that we should "turn our backs on life and face the self," "turn to our inner world," and "turn to the realm of the unconscious or subconscious"; reject sociology while criticizing vulgar sociology, set humanities against sociology while affirming literature as a branch of humanities, and refuse to acknowledge literature as a social phenomenon while suggesting that literature is an aesthetic or cultural phenomenon; and set the study of the source of literature or the social-historical analysis of literature against various other new methods.

The evolution of concepts on literature cannot start from zero or break completely with "traditional" concepts on literature. The reasons are as follows: First, life is the source of literature. Basic concepts such as that literature is the aesthetic or artistic reflection of reality cannot be shaken because they have been proven by practice and history as correct and scientific. Second, the evolution and development of concepts on literature represent a process of the negation of negation and involve inheritance between periods. As Marx pointed out, "People

make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves but under given circumstances directly encountered, given and transmitted from the past."² The evolution of concepts on literature is naturally no exception. It must take tradition as its premise and starting point. The past, the present, and the future of literature form a complicated and unified historical process. It is not a simple historical process of the constant replacement of one aesthetic ideal or artistic category by another. Neither is it a simple historical process of the replacement of certain artistic forms by others. Major literary phenomena of each period will not become things of the past when that particular period is over. Marx said, "But the difficulty lies not in understanding that Greek art and epic poetry are bound up with certain forms of social development. The difficulty is that they still give us artistic pleasure and are in certain respects regarded as a standard and an unattainable model."³ Actually, besides ancient Greek art and Homer's epics, masterpieces of world literature such as *Faust*, *War and Peace*, and *Dream of the Red Chamber* can also provide artistic pleasure to people of later generations and are "standards" and "models" in certain respects. Third, the life of a work of art is not determined entirely by the period in which it was produced. It also has a lot to do with the society, aesthetics, literature, and other factors of different periods. Goethe observed that one never runs out of things to say about Shakespeare; while Belinski noted that Pushkin was one of those constantly living and moving phenomena that must be continuously developed with the awareness of the society. This shows that masterpieces of the past are all in the eternal process of movement.

Historical experience merits attention. Twentieth-century Western literary theories (on formalism, new criticism, structuralism, and so on) have overcome some of the limitations and inadequacies of the cultural history and sociological schools of the 19th century (such as regarding literary works merely as materials of social and spiritual life, ignoring the relative independence of literature as a social ideology, and paying no attention to the formal and structural significance of literary works), have and made considerable contributions toward the development of ontology and poetics. However, they have completely obliterated the major achievements of these schools, such as the links between historicism, literature, and social life, thinking that literature has nothing to do with life or with literary traditions that go back to ancient times. This is obviously wrong. The various schools of 20th-century Western literary theory not only totally negate the literary concepts of the cultural history and sociological schools of the 19th century, but often negate one another, thinking that the literary concepts of all other schools are wrong and that only their own concepts are all-embracing and omnipotent. For instance, archetypal criticism announces that new criticism is dead, while deconstructionism declares that structuralism has become obsolete. The same is true in the realm of literary creation. Modernism alleges that

realism is old and dead; postmodernism says that modernism is out of keeping with the times; the "Nouveau Roman" school (antinovel school) of France suggests that the concepts of Balzac no longer work and that a more substantial and intuitive world should be created to replace the existing world which is filled with psychological, social, and functional meaning; the mini-novel school of France negates the "Nouveau Roman" school and even Alain Robbe-Grillet, the leading exponent of the "Nouveau Roman" school, laments over this fact and thinks that he has reared some "bad students." It can thus be seen that the simple replacement of one literary concept by another and the negation of ties of historical inheritance between the literary concepts of various periods are the basic characteristics and process of the evolution of 20th-century Western literary concepts.

In recent years, there has been much talk in China about the "renovation" of concepts on literature. It is quite in keeping with reality to use the term "renovation" to summarize the basic characteristics and process of the evolution of 20th-century Western literary concepts. However, it is inappropriate where Chinese literature is concerned. Although not everyone who has used the term "renovation" advocates the complete break with "traditional" concepts on literature, it still seems to suggest that "traditional" concepts on literature are outmoded and should be replaced by a so-called brand new concept on literature. In recent years, the need to "renovate" concepts on literature has frequently been used as an excuse to negate the ties of historical inheritance in literature. What merits attention is that Marx and Engels always expounded the interrelations between the superstructure and the foundation of ideology or concepts as follows: Along with the evolution of the economic foundation, the massive superstructure as a whole will also be under evolution at varying speeds. This suggests that the term "evolution" is more comprehensive and scientific than the term "renovation," which is currently in vogue. The term "evolution" carries the meaning of developing what is useful and discarding what is not, and weeding through the old to bring forth the new. It is more than simple negation or total rejection. In this sense, the term "evolution" can much better reflect the complexity and contradictions of things in their totality. Hence the difference in formulation between the evolution of concepts on literature and the "renovation" of concepts on literature is more than a mere matter of wording. It concerns questions relating to the basic principles of Marxist theories of literature and art, such as how literary traditions, inheritance in literature, and historicism, should be dealt with.

II

Concepts on literature must undergo evolution in order to keep abreast of the needs of the times. However, in our efforts these last few years to rectify past drawbacks and inadequacies, we showed an incorrect tendency to "make a complete turn in everything." For instance, we saw the shift of emphasis from philosophy, sociology,

and aesthetics to linguistics, psychoanalysis, anthropology, and semiotics; from the ideological approach to the nonideological approach; from the theory of reflection to the theory of the perceiver or ontology; from "external laws" to "internal laws"; and so on. Take methodology in the study of literature and art, for instance. We used to think that the "traditional" approach of social origin or historical analysis "had already become outmoded" and ought to be replaced with a new approach. This is a one-sided view. No doubt, in the study of literature and art, methodology should be diversified. While we may use the more "traditional" approaches of social, epistemological, aesthetic, cultural, psychological, or historical analysis to observe literary phenomena, we may also use new methods, such as the value, production, semiotic, mythical, systems, receptor, structural, or historical function approach to probe literary phenomena. The reason is that literature is by nature multilevel and many-sided, not something homogeneous. However, diversified methodology in the study of literature and art does not imply rejection or negation of "traditional" approaches, and "traditional" approaches should not be set against new approaches. A "traditional" approach like social origin or historical analysis not only has not become outmoded or reached the end of its road but remains a basic and major approach today. It is even regarded as the foundation of all new approaches. Because life is the only source of literature this is not difficult to understand, and no literature, in any period, can exist independent of society. In short, "traditional" and new approaches should complement one another. Natural science approaches can be applied only as auxiliary means within a given scope and to a certain extent. When the subject is changed, the method must also be changed.

Let us now look at the relationship between the perceiver and the perceived in literature. Two antagonistic and biased tendencies exist in Western literary concepts: People think either of the perceiver (the author and the reader) or the perceived (works of art) in terms of absolutes. They fail to see the unified and dialectical links between the two. The former refers to the proponents of hermeneutics, phenomenology, intuitionism, psychoanalysis, and receptor aesthetics. To them, a work of art is the special form of the consciousness of the hermeneutic subject and is derived from the character of the interpreter; a work of art is the direct perception of the author; the richness and complexity of a work of art lies in the richness and complexity of the subconscious or unconscious; a work of art exists only insofar as it is accepted by the reader and relies on the reader. They have thus cut off the links between the perceiver and the perceived. The latter refers to the proponents of formalism, new criticism, literary ontology, structuralism, and semiotics. To them, writing is pure form, technique, and literariness; literature is self-discipline on the part of the thing-in-itself; literature is artistic language; literature is structural relationship; and literature is symbolism. They have thus cut off the relations of a work of art from reality, its author, and its reader.

Over the years, while correctly opposing the tendency to neglect the position and role of the perceiver, we have also made the same mistake as those made in 20th-century Western literary theories and criticism by treating the perceiver in terms of absolutes. For instance, we advocated: Literature is expression of the self; literary criticism is I; portrayal of one's inner cosmos; returning to the aesthetic self; expressing the original state of feelings and consciousness; returning to man's unconscious and subconscious; the vitality of mankind is the ontology of literature; and the reader is the new aesthetic creator. Similarly, when emphasizing the ontology of a work of art, we treated the perceived in absolute terms. For instance, we advocated returning to literature itself, that the value of literature lies in its form, and that literature is literature.

If we follow the path of 20th-century Western literature in our evolution of concepts on literature, we will only move from one extreme to another and will not be able to move in the direction of all-roundness and truth. Going to extremes is a characteristic feature of 20th-century Western literary concepts; it also reflects the complicated and conflicting course they have traversed. Of course, we should not ignore their profound exposition and rational core ideas in certain respects. However, we also must not lose sight of their major drawbacks in terms of concept and methodology, such as each holding on to one extreme; exceeding the proper limits in righting wrongs; using the partial to cover the whole; and taking a point, an aspect, a fragment, or an angle as something independent and intact. As a whole, they cannot reflect the entire meaning of the essence of literature. In epistemological terms, they represent "an infertile flower on the living tree of absolute knowledge of mankind."⁴

It can thus be seen that the development of concepts on literature has nothing in common with various forms of absolutes. The ideas that theory "needs the courage of going to the extreme" and that "theory can only give out its extraordinary splendor when pushed to the extreme" are wrong. One-sidedness in the means of investigation cannot but lead to one-sidedness in the results of investigation. Marx pointed out that "truth includes not only the result but also the path to it. The investigation of truth must itself be true; true investigation is developed truth."⁵ The extremist tendencies toward scientism and humanism in 20th-century Western literary theories show that because the path does not accord with truth, the result of investigation cannot be true. Although scientism—including formalism, new criticism and structuralism, and humanism—and the theory of emotional transposition, the theory of intuitive expression, and psychoanalysis, are at opposite ends, they are the same in that they both deem that literature has nothing to do with life, the times, or society. This merits some deep thinking.

III

In the evolution of concepts on literature, how to handle the relationship between reflection and creation has become an important and pressing issue. In the West, the view that literature is creation rather than reflection has been widely held for a long time. For instance, the Russian critic Ai-heng-wa-er-de [5337 0077 3907 1422 1795] said in the 1880's that art creates rather than reflects the world. Since then, this view has almost become the guiding principle of modernist artistic creation in the West. In 1963, the French writer Jia-luo-di [0502 3157 5530] declared in his book, *On Boundless Realism*, which expounded the "new" concepts of realism, that literature and art referred not to the reproduction of the existing natural world, but to the creation of a new world, a purely humanistic cosmos. He deemed that this was Copernicus' new discovery in the realm of aesthetics. In his book entitled *The Negative Dialectics*, Adorno, a leading member of the Frankfurt school, directly criticized Lenin's theory of reflection as "the theory of photographing" and as an undialectical theory that gave a negative reflection of the objective structure, denied the independent existence of the perceiver, and denied the reflectiveness of thinking.

Over the years, the following views have been repeatedly voiced in articles published in China: "Literary activities are not mere reflections of reality; they are creations of the special (aesthetic) world." "The view that literature and art are reflections of reality is wrong. It negates the significance of literary and art activities as things-in-themselves." "The gist of the view that literature and art are reflections is the dependence of the perceiver on the perceived. It is a leftist and vulgar view in the study of literature and art." "It leads to liquidationism in literature and should be put away. In fact, it has already been universally denounced." "The dogmas derived from the theory of reflection do not accord with the principles of philosophy and go against the laws of literature," because "according to Lenin's theory of reflection, reflection means reproduction." "The theory of reflection is Lenin's idea, not that of Marx. It comes from Lenin's *Materialism and Empiriocriticism*."

It is incorrect to assert that literature is creation rather than reflection and that Lenin's theory of reflection does not apply to literature. First, it is an untenable argument to negate the theory of reflection by claiming that it reflects only the thinking of Lenin and not that of Marx. Marx said, "According to Hegel, the thinking process, or what he called concept and even turned into an independent entity, is the creator of real things, and real things are nothing more than the external manifestation of the thinking process. My view is quite to the contrary. To me, concepts are but material things that have found their way into the human brain and have been transformed in the human brain."⁶ In other words, concepts are the reflection and transformation of material things. While Marx did not make any direct reference to "reflection," the term was directly used by Engels in a number of places. For instance, he said in *Ludwig Feuerbach and*

the End of Classical German Philosophy, "According to Hegel,... this is only a miserable copy of the self-movement of the idea going on from eternity, no one knows where, but at all events independently of any thinking human brain. This ideological perversion must be done away with. We understood the ideas in our heads materialistically again—as reflections of real things instead of regarding the real things as reflections of this or that stage of the absolute idea."⁷ This remark by Engels is consistent with the thinking of Marx. Lenin's theory of reflection is not a "fabrication" that goes against the thoughts of Marx and Engels, but has their thoughts as its starting point.

Second, it does not tally with fact to sum up the entire content of Lenin's theory of reflection as copying, photographing, and reproducing. Lenin pointed out that "the reflection of nature in man's thought must be understood not 'lifelessly,' not 'abstractly,' not without contradictions, but in the eternal process of movement, the raising of contradictions, and their solution."⁸ He also said that reflection "is not a simple, immediate act, a dead mirroring, but one which is complex, split into two, zig-zag-like, which includes in it the possibility of the flight of fantasy from life."⁹ Lenin further pointed out that "man's consciousness not only reflects the objective world but also creates the objective world."¹⁰ This implies that creation is a necessary component of Lenin's theory of reflection and that reflection is a dynamic process with the perceiver's active participation. This is particularly true for artistic creation. Hence, Lenin called attention to the following famous remark by Feuerbach: "Art does not require the recognition of its works as reality."¹¹ He also wrote that "there is no question that literature is least of all subject to mechanical adjustment or leveling, to the role of the majority over the minority. There is no question either that, in this field, greater scope must undoubtedly be allowed for personal initiative, individual inclination, thought and fantasy, and form and content."¹²

Third, we should not forget Lenin's remark that cognition is the reflection of nature in man. The implication of this remark is that man's creative activities in remolding the world are closely linked to reflection and always have their correct reflection in thinking as their premise and foundation. It is true that man continuously engages in creation in accordance with his own needs and goals and that even the clumsiest architects are smarter than the cleverest of all bees to begin with because they already have the finished house in mind. However, their goals do not come from subjective wishes but are conceptions and previews based on the interrelations of things and their understanding of these relations. They are objective and determined by the essence and characteristics of things. Whether their conceptions and previews can be realized depends on whether people's subjective thinking is in conformity with the law governing objective things; in other words, whether their subjective thinking can correctly reflect objective existence. Subjective activities that are divorced from reflection and reject reflection

cannot create anything. This is as true in physics, chemistry, and mathematics, as in literary creation. It conforms to the principles of philosophy and the laws of art. Hence, the theory that literature is creation rather than reflection is not only far removed from the evolution and progress of concepts on literature, but also represents a retrogression in concepts on literature.

As we see it, reflection and creation do not constitute an irreversible dichotomy that we cannot talk about creation if we are to talk about reflection, and vice versa. In the evolution of concepts on literature, efforts must be made to guard against and overcome the following two diametrically opposed and biased views that were quite popular for some time: The first view treats reflection and reproduction in terms of absolutes and draws the conclusion that literature is the mere copying of life and the reproduction of reality. The proponents of this view simply compare works of literature with the source of literary creation, that is, life, and ignore the initiative and creativeness of the writer, as well as the subjective side of literary works. It is an expression of vulgar sociology, a lopsided understanding of Lenin's dialectical theory of reflection. The second view treats creation or expression in terms of absolutes and draws the conclusion that works of literature are merely the author's subjective creation and have nothing to do with reality. The proponents of this view do not recognize life as the source of literary creation and obliterate the objective side of literary works. It is an expression of the idealist conception of creation and, likewise, is a lopsided understanding of Lenin's dialectical theory of reflection. The truth is, reflection and creation, or reproduction and expression, are invariably intertwined in one way or another in the working out of the plot, the process of creation, and the final result—the finished work of literature. They are inseparable. In other words, works of literature are the aesthetic and dialectical unity of the richness and complexity of the objective world and the richness and complexity of the subjective world.

As seen from the world history of literature, a true writer or literary theorist never equates a work of art with reality, never interprets the reflection of life as the mirrorlike reflection of life, and never rules out reflection in creation but advocates the dialectical unity of the two. For instance, Goethe maintained that works of art were different from nature in that the former could not reproduce the latter. Hence, Goethe referred to works of art as "the second nature." Belinski also said that poetry is the creative reproduction of possible reality.

Thus, given that it is wrong to confine literature to direct reflection, advocating that literature must make the switch from reflection to creation should not be regarded as the discovery of a "new" concept, but should be seen as a betrayal of the laws of art.

In short, concepts on literature must undergo evolution, but this evolution cannot start from zero, cannot move from one extreme to other extremes, and cannot switch

from reflection to creation. The above are some of my basic views on the evolution of concepts on literature.

Footnotes

1. *Selected Works of Marx and Engels*, Volume 3, p. 51.
2. *Collected Works of Marx and Engels*, Volume 8, p. 121.
3. *Ibid.*, Volume 12, p. 762.
4. Lenin's words.
5. *Collected Works of Marx and Engels*, Volume 1, p. 8.
6. *Selected Works of Marx and Engels*, Volume 2, p. 217.
7. *Ibid.*, Volume 4, p. 239.
8. Lenin: *Notes on Philosophy*, People's Publishing House, 1974, p. 208.
9. *Ibid.*, p. 421.
10. *Ibid.*, p. 228.
11. *Ibid.*, p. 66.
12. *Selected Works of Lenin*, Volume 1, p. 648.

Marxist Epistemology and Scientific Policymaking Process

HK1410030490 Beijing QIUSHI [SEEKING TRUTH]
in Chinese No 18, 16 Sep 90 pp 43-45

[Article by Wu Yedu (0702 6851 3256), secretary of the Handan Prefecture CPC Committee]

[Text] At present, more and more people, especially leaders at various levels, have paid attention to the importance of the scientific policymaking process; and the study of theories on policymaking have also gone on more and more deeply. However, most of the relevant studies were concentrated on such technical aspects as procedures and methods of scientific policymaking, and sufficient effort has not yet been made to approach policymaking from the angle of Marxist epistemology or to reveal the epistemological foundation for scientific policymaking.

In a broad sense, policymaking means to select the best among a number of available and feasible options under certain conditions in order to achieve a certain objective or to work out a new scheme through synthesizing existing options and then putting it into practice. The whole policymaking process is one in which people take the initiative in selecting the objective and the action program according to the understanding that they acquire in social practice of the objective laws and the conditions for these laws to play a role, and then put the program into practice.

Therefore, policymaking should be put into the category of epistemology and must follow the general law that

governs the process of acquiring human knowledge. Correct understanding is the precondition and foundation for correct policymaking. When people's understanding is closer to reality and to the regularity of the development of things, their policymaking will be more scientific. On the other hand, if people's understanding is not in keeping with reality and the regularity of the development of things, their policymaking will be incorrect. Therefore, to ensure scientific policymaking, it is necessary not only to adopt and apply scientific procedures, methods, and other technical means for policymaking, but it is more important to follow the guidance of Marxist epistemology.

To use Marxist epistemology to guide policymaking, we should first acknowledge the objectiveness of understanding.

In his book *Materialism and Empirio-Criticism*, Lenin generalized two fundamentally antagonistic epistemological lines. One was the materialist epistemological line of going from matter to sensation to thinking; and the other was the idealist epistemological line of going from thinking to sensation to matter. Marxist epistemology first upholds the principle of the materialist theory of reflection and holds that people's knowledge does not grow out of their brains, but is just the reflection of the objective things. "Conceptional things are nothing but material things transplanted to human brains and transformed by human brains."¹ This marks the fundamental difference between Marxist epistemology and all idealist epistemological theories. The Chinese Communists with Comrade Mao Zedong as their main representative put forward a perfect line of thinking through combining the universal truth of Marxism with China's revolutionary practice. That is, everything must proceed from reality; truth should be sought from facts; theory must be linked to practice; and truth can be verified and developed only in practice. The core of this line of thought is "to seek truth from facts." "Facts" constitute the precondition for "seeking truth"—one must first respect the facts in reality in order to "seek truth." Truth can be found only from facts. Therefore, in the policymaking process, one must adhere to the objective principle of the Marxist epistemological line. That is, one must proceed from the actual conditions of the country, the province, the prefecture, or the county in order to discover problems, determine policy goals, and formulate action programs. This is the starting point for scientific policymaking according to the materialist principle, and is the "objectiveness of observation" mentioned by Lenin.² If we go against this principle and proceed from books or our wishful thinking, then the policy goal and action program will inevitably be unrealistic, and the whole policy will be erroneous.

In order to proceed from the actual conditions, leaders should first be aware of the all-sided conditions or the overall situation of things when they are to make policies. So they must fully understand the actual conditions, that is, all aspects and all connections of things; and they should not merely pick up one or two facts randomly and

"not see the forest for the trees." Such individual facts may be true, but they merely reflect one side of truth. If policy decisions are made according to one side of truth, the result will just be policy errors. As Lenin said, "facts, if we take them in their entirety, in their context, are not only stubborn things, but undoubtedly proof-bearing things; but minor facts, if taken out of their entirety, out of their interconnection, or if arbitrarily selected and torn out of context, are merely things to be juggled, or even worse."³ In the policymaking process, we should pay special attention to the all-sidedness of the facts when collecting and selecting information, and should particularly note which information is of typical significance or reflects the essential and internal connections of things, because such information is of decisive significance for determining the correctness of the policies to be made.

The principle of proceeding from the actual conditions requires that leaders, when making policy decisions, keep close ties to the social practice of the masses. The masses of the people form the main body of social practice. To proceed from the actual conditions, the policymaking process must reflect the experience and requirements of the masses in their social practice and must be in keeping with the wishes and the consciousness of the masses (as all this is the actual condition for the leaders). This is also the crucial link that determines whether a policy decision can be successfully put into practice. Comrade Mao Zedong said, "The right task, policy, and style of work invariably conform with the demands of the masses at a given time and place and invariably strengthen our ties to masses."⁴ The policy decision that oversteps the level of political consciousness of the masses is certainly unrealistic, because it reflects the disease of impetuosity; and the policy decision that falls below the level of political consciousness of the masses is also unrealistic, because it reflects the disease of dilatoriness. Therefore, consideration must be given to the political consciousness of the masses, and the wishes of the masses must be reflected when each policy decision is made. In particular, when we determine the value orientation of the policy decision, we must firmly combine the immediate interests of the masses with their long-term interests. The Communist Party is the representative of the interests of the broadest sector of the masses, and the party does not have any selfish interest and serves only the interests of the broadest sector of the masses. Serving the people wholeheartedly is our party's highest purpose. Our policymakers at all levels must affirm the people's interests when making policy decisions and must take the fundamental interests of the broadest sector of the masses as the highest value orientation. All concrete values should be subordinate to this paramount norm of values. If a policy decision deviates from this norm, it is fundamentally divorced from reality. So we can say that the democratic and scientific procedures provide a guarantee for correct policymaking, and the linkage to the masses forms the foundation for correct policymaking. This requires that leading cadres overcome shortsighted

mentality and short-term behavior. They should not be too eager for quick success and instant benefit, and should not merely try to make sensational achievements through handling hastily one or two affairs.

When using Marxist epistemology to guide policymaking, we must also firmly believe in the dynamic role of man's understanding and knowledge.

Marxist epistemology upholds the theory of reflection, but it is not the theory of reflection in general terms of materialism. In Marxist epistemology, the viewpoint of practice is incorporated in the theory of reflection. It holds that man's acquisition of knowledge is a dynamic and dialectic process from superficiality to profundity along with the deep development of practice, and that the fundamental purpose of knowing about the world is to transform the world and subject it to the needs of mankind. Therefore, Marxist epistemology represents a dynamic and revolutionary theory of reflection. The dynamic nature based on practice is the marked characteristic of Marxist epistemology. Marx once pointed out that the "main defect of all previous theories of materialism, including Feuerbach's materialism, is that they only understand things, realities, and feelings in an objective or intuitive way rather than taking them as man's perception and as man's practice, thus approaching them from a subjective angle."⁵ This shows that upholding the dynamic nature of man's knowledge marks the fundamental difference between Marxist epistemology and the old materialist theory of mechanical reflection. In the policymaking process, the formulation and implementation of any policy decision or program of action certainly include the dynamic role of the policymaker; otherwise, no policy decision can be made, still less can it be implemented. The different degree of activism showed by the policymaker will, anyhow, affect the degree of correctness of the policy decision and the results of its implementation. In order to ensure that policies are made in a scientific way and can achieve the expected results, we must bring our initiative into full play and show a high degree of activism.

First, the policymaker must bring his initiative and activism into full play. The process of acquiring knowledge is, in fact, to grasp the essence and regularity of things through observing and analyzing various phenomena. Only policies made in this way can be reliable. However, the essence, regularity, and developmental tendency of things are deeply concealed behind the complexity of various superficial phenomena, and they will not automatically be revealed before people. In order to acquire a correct understanding, the leader must bring his initiative and activism into full play through making careful investigations and studies of the actual conditions in reality. Investigation and study constitute the basic link for acquiring the true and all-sided facts, represent a correct way to apply Marxist epistemology, and form a bridge between theory and practice. Only through investigation and study can we personally, really, and deeply learn about the complicated situation and thus acquire knowledge of the essence and regularity

of things. Without this, there would certainly be no correct policy decision. Early this year, we discovered through investigation and study in all 13 counties and more than 100 enterprises in the whole prefecture that the necessity and possibility of mutually complementary economic relations existed among enterprises, trades, industries, and localities. For example, the industrial pumps produced by the pump plant in Cixian County were good-quality products that could not meet market demand. The electric motors for the pumps were produced by the Shicunying Motor Plant in the same county, and the cast iron used to make both the pumps and the motors was produced by the iron mill in the same county. The three enterprises were interdependent and promoted each other in their production, and there are naturally complementary and mutually beneficial relations among them. Now, the problem is that the enterprises have not yet really become relatively independent economic entities; the contracted relations have not clearly defined property rights; most enterprises still lack vigor in their production and business operation and still lack the intrinsic need for establishing mutually complementary relations among them. So, in a fairly long time to come, administrative intervention will still be indispensable. Following this idea, we decided that the government would play a role in organizing such complementary associations among enterprises. That is, the government persuaded, guided, organized, and coordinated the enterprises in perpetuating their mutually complementary economic relations in the forms of contracts, agreements, and meeting minutes so that closer, effective, and relatively stable bilateral or multilateral relations in economic association could be established and that better comprehensive economic results could be thus achieved. Since this policy decision was put into practice, satisfactory economic results have been achieved. In practice, we learned that if leaders do not bring their initiative into play, they will not even discover the problems and still less make correct policy decisions.

Second, policymakers should fully show their creativity. Knowledge and ideas are the reflection of objective things in the subjective mind, but such reflection is not simple transplantation. The subjective mind must transform and process the objective things by "discarding the dross and selecting the essential, eliminating the false and retaining the true, proceeding from one thing to another and from the outside to the inside." The process of such transformation is, in fact, the process of creation. Through this process of creation, people will not merely know about the phenomenal and external relations of things or merely reach some general abstraction; instead, they will grasp things at a much higher level, namely, at the rational and concrete level. While policy decisions are made on the basis of this cognition level, they will not only be derived from the reality, but will also be higher than the reality. In fact, all policy decisions and programs certainly give expression to the creativity of the decisionmakers. What is in question is, first, what is the foundation for such creation. If the creation is based just

on wishful thinking, then it may go against the objective laws and may show the tendency of idealism and subjectivism. The creativity we advocate is based on the profound understanding and adept application of the objective laws. The vigorous and vivid "drama" should be performed on the "stage" of the objective conditions. Second, by advocating creativity, we do not mean that we can act freely without regard to the instructions issued by the superior authorities; instead, we should properly combine the instructions issued by superior authorities with our local conditions, and this is the combination of the general instruction with the specific conditions. The combination of the universal truth of Marxism with the specific conditions in the Chinese revolution gave rise to the great Mao Zedong Thought. This was the great creation of the Chinese Communists. For a local party committee and a local leader, creativity should be shown in the ability to properly combine the party's principles and policies with the local conditions, thus forming concrete measures with local characteristics. If the instructions are just mechanically copied and implemented, the local leading organ will act as a mail-handling office. This may be the easiest way, but it is also the least creative. However, if a local leading organ deviates from the guidance of the party's line, principles, and policies and stresses excessively the local particularity, then the policy decisions will also inevitably deviate from the correct course. The above two deviations violate the dialectic relationship between generality and particularity. The correct practice should be to study the local particularity and discover things of general significance under the overall guidance of the party's line, principles, and policies. That is, generality should be discovered in particularity and be enriched. Only thus can the local leader make policy decisions that are in keeping with local conditions and that have local characteristics. We can say that we who do the grass-roots work often face the issue of handling the relationship between generality and particularity. For example, the party central leadership called for strengthening comprehensive agricultural development and pushing agriculture to a new stage. What, then, should we do in the Handan area? Through serious investigation, we summed up the experience of integrating the work of planting both cotton and wheat in some localities, and drew up the "1751 Project" which was a major decision on developing agriculture in Handan Prefecture. ("1751" was the abbreviation of the four economic-technical targets, and it meant that, beginning in the autumn of 1989, 1 million mu of high-quality fields sown in wheat and cotton will be built, with a per mu yield of 700 jin of wheat and 500 jin of raw cotton by 1992, and 1,000 scientific and technological sample villages will be built too.) The implementation of this policy decision enabled this prefecture to bring its advantages in growing wheat and cotton into play, coordinate the production of wheat and cotton, strengthen agricultural construction, and promote the establishment and improvement of the socialized service system in the countryside. At the same time, this also played an important role in strengthening the construction of rural grassroots organizations and

changing the cadres' style of work. This policy decision was the common creation of our prefectural leaders and the masses, and is the product of bringing the dynamic role of cognition into full play.

Moreover, the dynamic role of cognition is not reflected only in the formulation and selection of the policy options, but, more important, is reflected in the implementation of the policy and the action program. Only through implementation of the plan can the dynamic role of cognition be turned into the dynamic role of practice. If a policy decision is made but not put into practice, then it will still be of no significance no matter how good the decision may be. In practical work, it is not rarely seen that some good policy decisions, for various reasons, are not actually put into practice. An important reason that has often been neglected is that the relationship between policymaking and implementation is not properly handled. Only through the practice of the masses of the people can policy decisions and plans be transformed from things on paper into things in reality. After the "1751 Project" was formulated, we publicized it through various channels and told the peasant masses about its content, significance, and technical requirements. In particular, we helped the peasants to understand that the project had a bearing on their personal interests so that the production enthusiasm of the peasant masses could be fully aroused. On the other hand, we paid much attention to implementation of the plan and exercised close supervision. The "1751 Project" headquarters was set up to assign concrete tasks and work norms to every village through administrative channels. Contracts were concluded between the administrative organs at every level with their subordinate units. "Agricultural service associations" that provided comprehensive service in light of the needs of the project were set up in every county, township, and village. These measures mobilized the strength of all social sectors to support and promote the project. At the same time, we paid close attention to the appearance of various problems in the course of carrying out this project through serious supervision and rapid feedback. This thus turned the "1751 Project" into practical activities of all cadres and the masses and ensured that the plan was actually put into practice and turned into reality. Since the project was carried out, marked results have been achieved. This year, 1.02 million mu of fields were sowed with both wheat and cotton. Average per mu wheat output has reached 632 jin, and the cotton is growing well. It is expected that the per mu cotton output will exceed 400 jin. The first group of 300 sample villages is also under construction.

In short, we have deeply realized in our practice that, in order to ensure that policy decisions are made in a scientific way, apart from following the scientific decisionmaking procedures, methods, and other technical requirements, we must also follow the basic principle of Marxist epistemology, solve the philosophical issues in one's world outlook and methodology, follow the general law of cognition marked by "practice-knowledge-practice," constantly proceed from actual conditions,

give full play to the dynamic role of cognition, continuously formulate, enrich, and improve various policy decisions, and solidly advance our work in all fields.

Footnotes

1. *Selected Works of Marx and Engels*, Volume 2, p. 217.
2. *Collected Works of Lenin*, Volume 38, p. 181.
3. *Ibid.*, Volume 23, p. 279.
4. *Selected Works of Mao Zedong*, Volume 3, p. 996.
5. *Selected Works of Marx and Engels*, Volume 1, p. 16.

'My Life Belongs to China'—Reflection on *Her Chinese Heart* a Piece of Reportage

HK1610134790 Beijing QIUSHI [SEEKING TRUTH]
in Chinese No 18, 16 Sep 90 p 46

[Article by Cheng Zhiwei (2052 1807 0251)]

[Text] Based on true and touching material and written in vivid and refined language, *Her Chinese Heart* (carried in ZHONGLIU, No. 8, 1990) is about the moving deeds of Japanese-born and Chinese-bred teacher Wu Yun in assiduously and conscientiously fostering a generation of new people in her adopted motherland—socialist China. The reader is deeply touched and moved to tears. It also gives the reader food for deep thought. As noted in this piece of work, Miss Wu Yun "is Japanese by blood, but her heart is that of a Chinese. Hers is a pure and noble Chinese heart."

Wu Yun's Japanese name is Shumi Tachibana, a Japanese orphan from the War of Japanese Aggression Against China. While the Chinese people made great sacrifices during the anti-Japanese war that broke out half a century ago, the Japanese also suffered great misfortune. When the Japanese aggressors were forced to surrender, they unscrupulously laid their murderous hands on their compatriots and dependents. Wu Yun's mother, sisters, and younger brother all died at the hands of these monsters. Wu Yun, who escaped death by sheer luck, grew up to be a people's teacher and gained a truly new life under the loving care of her Chinese foster parents. From the experience she had when growing up, she deeply feels the broad-mindedness and profound affection of the Chinese people. It is precisely this kind of feeling that gives shape to her pure and noble Chinese heart. Out of her true love and profound affection for the Chinese people, she selflessly devoted herself to the cause of socialist construction in China and won the trust, respect, and love of the party, government, and people around her. What is even more admirable is that, after returning to Japan to reunite with her loved ones, Miss Wu Yun could not forget China where she had been brought up. She decided to go back to China to work and live there. Her unflagging faith and choice and her noble deeds really set people thinking. The author of this reportage passionately portrays and eulogizes the precious spirit and quality which he has keenly sensed in

Miss Wu Yun. This explains why this piece of reportage has such great vitality and moving power and has conquered the hearts of such a large readership. The timely publication of an outstanding piece of work like *Her Chinese Heart* has great immediate significance. It can well be regarded as vivid and figurative teaching material for education on patriotism.

This piece of work not only shows foresight and broad-mindedness on the ideological level, but is also a great success in terms of artistic achievement. Rather than simply giving an account of Wu Yun's story, the author harmoniously blends narration with the expression of emotion and necessary explanations. In this way, the author's subjective evaluation of the protagonist's noble thoughts and deeds is naturally fused with the rich, touching, and truthful source material. This piece of work is also noted for its composition and use of language. It is not only ideologically beneficial but has a strong artistic appeal. We can say that this is an outstanding work that shows good ideological style and high artistic attainment.

An important feature of reportage is that the people and events portrayed must be true. Here, the truth refers to everyday reality which reflects the essence of things and artistic reality which has been refined, not simply the truth of concrete events in the general sense. Not all concrete events in real life can directly reflect the essence of things. Hence, in order to write socialist reportage which has profound social significance and high artistic value, the author must proceed from the fundamental interests of the party and the people and assiduously conduct in-depth investigations and interviews to collect authentic and reliable material. He must then apply the Marxist viewpoint to analyze and compare the source material; discard the dross and select the essential and, proceeding from the outside to the inside, select material that has the highest ideological value and artistic appeal; and adopt an appropriate, new, and unique artistic approach to piece the bits of material together. Upholding the principle that reportage must be true means respecting and following the basic law of creation for this particular literary genre. One who misunderstands and goes against this law of creation is bound to traverse a tortuous path. Works of reportage should mainly sing the praises of new people and new events, but they can also expose the unhealthy tendencies that exist objectively in society. However, whether they are eulogizing the good or exposing the bad, authors of reportage must uphold the principle of truthfulness in this literary genre and seriously take into account the possible social effects of their work. They must hold themselves responsible to the people and to society. One who does not have a high sense of social responsibility, who fails to make painstaking efforts, lacks artistic cultivation, and does not do things in accordance with the law of creation will never be able to produce outstanding and unforgettable works.

The successful creation of the reportage *Her Chinese Heart* shows that by striking deep roots in the great land

of China, going into the midst of the people, into life, and into the inexhaustible source of creation, our writers will definitely find plenty of scope to show their talents and create fine literary works welcomed by the masses.

It Is More Willing To Blossom in the Field—Reading Liu Shaotang's *Virgin Pond*

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in Chinese No 18, 16 Sep 90 pp 47-48

[Article by Sun Wuchen (1327 2976 5256)]

[Text] After being "spared his life for observation," Liu Shaotang [0491 4801 2768] still holds high the banner of "local-flavor literature" and continues to portray the truth, goodness, and beauty of his hometown and his folks along the banks of the Northern Canal. He still persists in singing the praises of the laboring people who raised and nurtured him, and maintains the consistent style of his works as "pastoral verses." His pursuit appears all the more sincere and unflagging against the ostentatious style which has become the vogue in recent years. Of course, as time goes by, local-flavor literature is bound to undergo changes of one sort or another. Back in 1981, Liu Shaotang said, "Local-flavor literature cannot stand comparison with politically valuable works on rural themes that concentrate on revealing the sharp contradictions and major struggles in the countryside and in rural life. Local-flavor literature constitutes only a portion of works on rural themes. As a bed of wild flowers in the garden of creative writing, it is more willing to blossom in the open country." These words of the author's revealed the peculiarity and limitations of local-flavor literature. But then things are relative, and are always developing and changing. On reading *Virgin Pond* (carried in RENMIN WENXUE, Nos. 7 and 8, 1990), we can sense some of the changes. The author has added color to his "genre painting" in ink.

This is an ingeniously conceived and naturally constructed short story. Following the footsteps of the protagonist "I"—the witness of history—our eyes are directed now at the streets of the capital and now at the fields and huts in the capital's suburbs. In spite of its brevity, it shows the growth rings of nearly half a century. It tells of life in the old society, as well as life in the new society, even real life before our eyes. Of course, the most important feature of this short story is that it not only portrays the moods of society and the customs of the place, but also depicts the fate of several principal characters, as well as the favorable or unfavorable turns in their lives. Through temporal and social changes as reflected in the fate that molds and restricts these characters, it also reveals the healthy, good, sentimental and righteous qualities of working people. We may say that the main characters have both character and soul. The landlady was once an innocent girl. She was gambled away by her father to a rich merchant from the south and became his "mistress." Life in comfort turned her into a parasite. When the Lugouqiao Incident broke out, traffic between the north and the south was cut off and her rich

merchant never returned. She had to scrape along on rents. She no longer had her good looks and was even driven out of her house. After liberation, she was offered accommodation while begging in the street, and eventually struggled to stand on her own feet again. This is how literature figuratively unfolds the trilogy of a woman as a person, then as a ghost, and then back to being a person again in different societies. Jin Ruzi, who once served as the landlady's maid, is an honest person with a heart of gold. When she lost her job as a maid, she pinned her hopes on Gu Jie, a student, who fled and disappeared after assassinating a Japanese officer. It was Gao Liuzhu who saved Jin Ruzi and brought her to the Virgin Pond. After liberation, Jin Ruzi still cherished her love for Gu Jie deep in her heart, but Gu Jie, now a cadre sitting on the Military Control Commission, avoided her because he did not want to hurt her husband. In these common people we see goodness, friendship, sympathy, understanding, and the willingness to help others. We should say that it is precisely these virtuous qualities that bind the thoughts and relations of the masses, and the greater the difficulties and the more perilous one's position, the better can these qualities convert into hope and courage for reality and for life in the future. In my opinion, the expression of these qualities should form a prominent part of the main theme of our literature. It is a pity we have become estranged from and forgotten about them over the years. It is indeed very gratifying to receive ideological education as well as inspiration on life and aesthetics in this work of art which does not seem to have a very strong political message.

Although the author may have intended to stress the ties between local flavor on the one hand and the times and society on the other, and to highlight the inevitability of man's fate being determined by the fate of society, as can be seen from his depiction of the plight of the Beijing residents in having to survive on mixed flour and the scene of "people starving to death by the roadside," I still think that he has not done enough to expose the insincerity, ugliness, and wickedness of the forces of evil. This is also why the author seems to be unable to give greater depth to the truth, goodness, and beauty in his beloved protagonists. Most of his earlier local-flavor works have very concealed ideological messages, but in this short story he makes some very direct comments. The correctness or otherwise of these comments can be debated in the future. I think the ending of the story bears close resemblance to the author's former artistic style: Toward the end, when Gu Jie returns to the pond and again meets the landlady and Jin Ruzi, who has contracted for the pond, the entire scene and mood of the locality are no longer what they were before. The author's joy and worries over the impact of the commodity economy are implicitly and meaningfully conveyed to the reader.

There is a constancy behind the change. The author's simple and straightforward characterization, terse but unhurried narration, teasing language, and nativeness have remained unchanged. But, when we read the description of Yuling Village with its chimney smoke,

the scenic beauty of the Virgin Pond and the boat dance, we can feel "the maturing of skills."

Liu Shaotang's local-flavor works are the result of arduous labor based on his own experience and artistic accumulation. They reflect the unique local color and mood along the banks of the Northern Canal, and have qualities distinctly different from the works of others. This reminds me of the following remark by Lu Xun: "The same is true with modern literature. A work of art that has local color can have easier access to the world,

that is, catch the attention of other countries." The publication of *Virgin Pond* in issue Nos. 7 and 8 of RENMIN WENXUE is probably intended to promote and foster our national style and national form.

Free Verse and Illusive Verse

00000000 Beijing QIUSHI [SEEKING TRUTH]
in Chinese No 18, 16 Sep 90 p 48

[Article by Ge Feng; not translated]

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