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27 March 1986

CHINA REPORT

RED FLAG

No. 3, 1 February 1986

Translation of the semimonthly theoretical journal of the Central Committee of the Communist Party of China published in Beijing.

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ERRATUM: In JPRS-CRF-86-004 of 13 February 1986, No 1 of this series, in article entitled "Lin Zexu's Historical Contributions," on page 52, line 22 should read: History is, in the end, fair. Two hundred years after the birth of Lin Zexu....

CONSOLIDATE, DIGEST, REPLENISH, AND IMPROVE

Beijing RED FLAG in Chinese No 3, 1 Feb 86 p 2

["Forum"]

[Text] This year marks the beginning of China's Seventh 5-Year Plan. The period of the Seventh 5-Year Plan is one of key importance to the comprehensive reform of the economic, scientific and technological, and education administrative structure. Throughout this period, we must put the reform in the first place. The general guideline for the reform of the economic structure this year is: "consolidation, digestion, replenishment, and improvement." To put it more precisely, we must, on the one hand, consolidate, digest, replenish, and improve the reformatory measures that have been introduced, promote what is beneficial and abolish what is harmful, and thus gradually perfect a full range of systems; on the other hand, we must be well prepared for making greater progress in the reform in the next year and the year after next, and thus lay the foundation for the implementation of the comprehensive reform of the economic structure during the whole period of the Seventh 5-Year Plan.

In order to steadfastly carry the reform of the economic structure through to the end, at the moment we need to sum up experience, add to our achievements, and overcome our shortcomings. The reform of the economic structure, which began in the rural areas, has made major breakthroughs. The first step of the rural reform centered around the system of contracted responsibility on a household basis with remuneration linked to output. It helped to gradually straighten out the relations between the peasants and collective economic organizations and has thus effectively brought the peasants' initiative into play. Starting from the readjustment of the rural production structure, the second step of the rural reform has helped to annul the system of unified procurement quota apportioned by the state, lifted the restrictions imposed on the prices of agricultural and sideline products, and thus made preliminary success in straightening out the relations between the peasants and the state. This year we must further improve the system of planned procurement of agricultural and sideline products on a contract basis and implement such policies as "subsidizing agriculture with industry," and thus carry out the rural reform in depth. The urban reform also has two phases, namely, the experimental and exploratory phase from the 3d Plenary Session of the 11th CPC Central Committee to the 3d Plenary Session of the 12th CPC Central

Committee, and the phase of overall reform since the 3d Plenary Session of the 12th CPC Central Committee. Last year was the first year in which we witnessed the initial success of the overall reform in urban areas. We took a bold step in the reform of the wage and pricing systems and made smooth progress. As far as all these introduced reformatory measures are concerned, it takes time for the state to sum up experience and readjust the policies; for enterprises to shift to a new track, to change their orientation, and to fulfill the process of digestion; and for the masses to deepen their understanding and gradually keep up with the new situation. Therefore, a period of time is definitely necessary for consolidating and perfecting the results of the reform.

We must comprehensively and correctly understand the guideline of "consolidation, digestion, replenishment, and improvement." Consolidation means to consolidate the achievements of the reform, uphold the direction of reform, and lay a foundation for the in-depth reform. Digestion means to solve new problems emerging in the course of the reform in accordance with the state's financial resources, the conditions of enterprises, and the masses' endurance, and thus ensure that all work is geared to the needs of the reform. Replenishment means to supplement those imperfect and unsound links and aspects of the reform, and enable them to form a more complete and harmonious system. Improvement means to improve the method of macroeconomic control, the status quo of supply and demand, and the scale and structure of investment in fixed assets. We must not only bring the expanded demand under control but must also improve supply and further promote production. In order to ensure that those introduced reformatory measures fully play their roles and to promote what is beneficial and abolish what is harmful, we surely must continue those reforms which have been proved effective, and thus strive for success. Meanwhile, we must resolutely correct malpractices and eliminate deviation in the course of the reform, strictly enforcing orders and prohibitions. By and large, the guideline of consolidation, digestion, replenishment, and improvement is an interrelated organic whole. We absolutely must avoid placing undue emphasis on a certain aspect while overlooking other aspects, so as to prevent one-sidedness in understanding and practice.

It must be emphasized that, in implementing the principle of consolidation, digestion, replenishment, and improvement this year, we definitely do not mean to suspend the reform but to further the reform in depth. At the same time, we will continue to vigorously step up those reforms which will help to invigorate the economy without causing a loss of macroeconomic control; for example, we will continue to vigorously develop the lateral ties between enterprises and put out the program of selling houses as commodities in cities and that of running grass-roots financial organizations as enterprises. As long as we unswervingly, cautiously, and properly expedite the reform, we are bound to win the overall victory of the reform in the Seventh 5-Year Plan period.

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BE GOOD AT USING TYPICAL CASES TO CONDUCT EDUCATION IN PARTY SPIRIT

Beijing RED FLAG in Chinese No 3, 1 Feb 86 pp 3-4

[Article by Wang Heshou [3769 7729 1108]]

[Text] It has been 7 years since the 3d Plenary Session of the 11th CPC Central Committee reestablished the Central Discipline Inspection Commission. Over the past 7 years, we have investigated and handled tens of thousands of cases of lawbreaking and violation of discipline. Although a small number of these cases were not properly handled and the conclusions of some cases may not have been completely correct, in general, our investigation and handling of cases has been prudent, fair, and in conformity with principle. However, some problems remain in our work, and we must take notice of them. There are even some serious mistakes and shortcomings. Here, we should particularly mention an important lesson that we should draw from past experience. Generally and clearly speaking, we only did half of our work in the past, and did not do, or only did very little of, the other half. Speaking more concretely, we have only fulfilled the first half of our task and have not fulfilled the second half.

What is the second half of our work? Why should we now emphasize the second half of our work?

One of the tasks for the Discipline Inspection Commission is to ensure the implementation of the party Constitution and to maintain and enforce party discipline in light of the party's regulations and rules. We have done a great deal of work in this regard. Of course, work in this regard is our direct task and is important. However, the task of the Discipline Inspection Commission is not merely to maintain and enforce party discipline, and the Discipline Inspection Commission is not merely an organ for handling cases of violation of discipline. Another important task for this organ is to help party committees rectify party style, conduct education in party spirit, and inspect the implementation of the party's line, principles, and policies. When the Central Discipline Inspection Commission was reestablished in 1979, Comrade Chen Yun clearly pointed out that the central work of the Central Discipline Inspection Commission is to ensure good party style. Whether our party style is good and whether our party members and cadres can correctly carry out the party's policies and decisions will mainly depend on whether party members have a good party spirit. If they have good party spirit,

they will resolutely carry out the party's line, principles, and policies, will rarely violate party discipline, and will maintain good party style. If many party members do not have party spirit, a large number of cases of violation of discipline and lawbreaking will emerge, and our party style will not be good. This point is proved by many facts in the large number of cases we have handled.

The fundamental reason for party members' involvement in unhealthy tendencies is the fact that their ideological style is not good and their party spirit is not strong. Without enhancing the ideological quality of our party members and strengthening their party spirit, we will not be able to maintain party discipline and improve party style. It is certainly important to check the unhealthy tendencies case by case. We have yet to do more work in this regard and still have to make great efforts to handle various major cases. When handling these cases, we must have courage to overcome difficulties, spare nobody's sensibilities, and show no softheartedness, so as to promote the fundamental improvement of party style. However, if we examine our work in the handling of typical cases, we may find deficiencies in our work. After investigating cases in which some party members abuse their powers in pursuit of private gains and in violation of party discipline, we form conclusions, mete out punishment to the erring party members, expel some of them from the party, and propose administrative disciplinary measures and legal measures against some of them. We used to think that is all the Discipline Inspection Commission should do and did not use these typical cases to conduct education in party spirit among party members and cadres. In fact, we should use the facts in the cases to conduct propaganda and education among party members so that they can realize that unlawful practice comes from erroneous ideology and can see more clearly what is erroneous ideology. Many cases of violation of discipline and lawbreaking, particularly some major cases, such as the automobile speculation case on Hainan Island, the quack medicine case in Jinjiang, and some senior cadres' violation of discipline, vividly and concretely show that erroneous ideology is the reason and condition for the continual appearance of all kinds of unhealthy tendencies. Therefore, these people who violate state laws and party and administrative discipline, and their cases, provide vivid negative examples which may serve as a lesson for all party members and cadres in straightening out their ideological style and strengthening their party spirit. If we can make good use of these typical materials to conduct convincing education among party members and cadres, we will achieve better results than do our lectures on party spirit principles in the classrooms. If we can do this work consistently, then our party members will more concretely realize what is the party spirit that party members should have; what is practice in line with party spirit; what is an action in violation of party spirit; what it is a party member should do; what it is a party member should not do; what action is in line with the interests of the party and the people; what action is in violation of the interests of the party and the people; and how a party member should correctly handle his relations with the party and with the people.

Our discipline inspection department possesses rich and vivid materials, but we have not made full use of these materials to conduct vivid education in party spirit, party discipline, and party style, and have not achieved

the result of educating a large number of people in dealing with a case. This should be regarded as a major defect in our past work and should be taken as an important lesson. Although we have handled a large number of cases, we have only fulfilled half our task. We have not begun to seriously perform the second half of our task, which is, in a certain sense, more important. The disciplinary measures against party members who violate party discipline may educate these erring party members and influence a small number of people who are close to the erring party members. However, our main purpose is to enhance the ideological consciousness of a large number of party members and cadres through the handling of the cases in which party discipline and party spirit principles are violated. The purpose of taking disciplinary measures against an erring party member is to educate a large number of party members. Only when we are determined to consistently make use of various negative examples to conduct education in party spirit, party discipline, and party style among party members can we really raise the level of our discipline inspection work. Of course, this is by no means an easy task. In the past 7 years, it is not that we did not think of, or did not mention this matter. Rather, we did think of and mention it, but we did not put it into practice, or did the job poorly. The reason is that this is not an easy job. After cases are handled, we should analyze them and summarize the lessons that should be drawn from them in terms of ideology. Then, convincing articles which combine theory with fact should be written from the angle of party spirit, party discipline, and party style. These articles will function as vivid teaching materials for helping party members enhance their ideological consciousness and strengthen their party spirit. This is not an easy task, but it is a correct principle. We must do this. When dealing with important cases, whether they are related to political and ideological problems or to specific lawbreaking activities, we should properly fulfill the second half of the work. This will greatly promote the improvement of party style.

If we say that our discipline inspection department has now fulfilled only half of its task, it sounds a bit too harsh, and some comrades may not be glad to accept such a comment. However, we should be more modest and serious in approaching this important point. All cadres in the discipline inspection department should pay attention to this issue, and the responsible comrades of all provincial, municipal, and regional party committees and all ministries and state commissions in charge of discipline inspection work should also give thought to this matter and consider how to properly solve this issue.

One more point related to this matter is that when dealing with all sorts of cases, especially major cases, the discipline inspection department may encounter some common social problems which exist in various places and departments at the same time. So our discipline inspection department at all levels should properly handle the relations between individual cases and common social problems and should concentrate on some typical and major cases. By taking effective measures to deal with the social problems reflected in the cases, we may at the same time help solve these problems existing generally in society. This is also the purpose of our work. Therefore, after a case is wound up, we still have to do a lot of work, which constitutes the second half of our task, as we mentioned above.

WE MUST HAVE CONFIDENCE IN ACHIEVING A FUNDAMENTAL IMPROVEMENT IN PARTY WORK
STYLE

Beijing RED FLAG in Chinese No 3, 1 Feb 86 pp 5-7

[Article by Wang Youxin [3769 0642 2450]]

[Text] What is the present situation in the party's work style? Will it be possible to achieve a fundamental improvement in the work styles of the party? And what should we do to achieve it? To answer these questions of the utmost concern to the entire party and the people of the whole country, we must first have a correct understanding of the question of the party's work style. Before we achieve unity of thinking, we can hardly rectify the party's style of work with one heart and one mind.

The correct approach to the question of the party's work style calls on us to adopt an overall point of view. Otherwise, we will have our view of the important overshadowed by the trivial. In having a correct understanding of the work styles of our party, we must realize that the strategic task, which was set at the 12th CPC National Congress, of creating a new situation in all fields of socialist modernization, a series of correct policies concerning our economic construction, and the general task and goal set by the party for the new historical period have taken root in the hearts of the people and are arousing the initiative and enthusiasm of the whole party and the people of all our nationalities. Through party rectification, the central ministries and committees and party and government organizations of provinces, municipalities, and autonomous regions have set to rights the ideas guiding their work and maintained political and ideology unity with the party Central Committee. Now they are conscientiously carrying out the party's line, principles, and policies and concentrating their efforts on building the four modernizations. The party also solved some problems left over by history, reversed the verdicts of large numbers of unjust, false and wrong cases and implemented the party's policy toward intellectuals and some other policies. All this has further normalized inner-party political life and the political life of our country. At present, not only have the Central Committee, its Political Bureau and the Secretariat of the party proved able to follow principles of democratic centralism and collective leadership based on harmonious unity, but party organizations in many localities have markedly improved their political life. In the light of the principles governing the "four transformations" for the ranks of the cadres, large numbers of energetic

young and middle-aged cadres who possess both political integrity and ability were promoted to various leading posts. This has resulted in good cooperation between old and new cadres and the succession of the new to the old in leading bodies at various levels, thus making them full of vigor and vitality. In rectifying unhealthy tendencies, we have exposed a number of problems and openly criticized them. The malpractices in allotment of dwellings and in recruitment of workers, students and cadres and transfer of domicile from peasants to nonpeasants, from rural areas to urban areas and from workers to cadres, which prevailed in the past few years and disturbed relations between the party and the masses, have been basically checked. Cases of malfeasance were dealt with according to the party code and administrative discipline and criminals were dealt with according to state law. Meanwhile, people are happy to see the emergence of a number of advanced collectives and individuals from various fronts. In the Laoshan defensive battle, many party members sacrificed their lives for the motherland when they charged and shattered enemy positions. In helping the people tide over a natural disaster in Liaoning, leading cadres at various levels and party members fought in the forefront of rescue and relief work.

All this shows that the party's work styles of seeking truth from facts, integrating theory with reality and proceeding in everything from actual conditions have undergone gradual restoration and development in the new historical period. In establishing close ties with the masses, our party has done a great deal of work and achieved remarkable results. Our party also has the courage to make criticism and self-criticism. We point out all these facts on purpose to show that we are now able to achieve a fundamental improvement of the work styles of our party. This is of great importance to our confidence in improving party conduct and to our efforts to stem unhealthy tendencies with one idea and one will.

However, it should be clearly noted that there are still some problems in the party style of work, some of which we cannot afford to ignore. Especially since the second half of 1984, some new malpractices have appeared under the new situation. These new malpractices are marked with new features. For example, apart from the malpractices of establishing underhand connections and securing advantages through pull or influence for the sake of personal gain, many leading organs and leaders conducted evil practices under the signboard of reform and under the pretext of working for the well-being of their organizations. This is an expression of the erroneous idea of abusing power for personal gain under the new situation. Such new malpractices are more harmful because many are conducted by leading organs and leading cadres.

The broad masses of the people are very discontented and disgusted with these unsound practices. In fighting against the unhealthy tendencies, our hearts beat in harmony with those of the masses. Under the leadership of the party Central Committee, the Central Discipline Inspection Commission and local CPC committees have adopted effective measures against the current serious misdeeds and violations of state law and the discipline code. The Central Discipline Inspection Commission circulated a notice exposing some typical cases such as the case of reselling cars for profit in Hainan and the case of producing fake medicines in Jinjiang. This has had a positive influence on

rectifying the party's style of work and augmenting education in party spirit. After the National Conference of Party Delegates last September, the party Central Committee Secretariat has made further arrangements for checking unhealthy practices. One of the major decisive measures was to call on the central party and government organizations and the Beijing municipal organizations to take the lead in improving the party's work style and to stress that the party Central Committee Secretariat would make sustained efforts to help the central organizations to rectify their styles of work. At meetings held in the Great Hall of the People in the first half of January, attended by 8,000 cadres from the central party and government offices, the party Central Committee Secretariat called on party members and cadres of the central party, government, and military organizations to set examples for the whole nation in morale and work style so as to promote the fundamental improvement of the party's work style and social conduct in general. The correct leadership and determination of the party Central Committee in stemming unhealthy tendencies, the support of the broad masses of the people for the central decisions and their discontents and criticism of malpractices are important factors which give us more confidence in improving party conduct, and provide an important guarantee for striving for the fundamental improvement of the work styles of the party with one heart and one mind.

Some time ago, some of our leading organizations and cadres themselves failed to set an example in rectifying the unhealthy tendencies. They dared not touch the problem and they uttered many empty words but actually did little. This was one of the main reasons leading to the spread of unhealthy tendencies and discontent among the masses. The CPC Central Committee has now called on party members and cadres, and especially leading cadres to be strict with themselves and to serve the people wholeheartedly. It took concrete measures to launch the drive to improve party conduct first in the central organizations and the Beijing municipal institutions and clearly pointed out that cases involving leading organizations and cadres should be most seriously dealt with. Under these circumstances, party members and cadres will certainly achieve unity in thinking and action according to the demands set by the party Central Committee for improving the party's work style. They will consciously set strict demands on themselves and act in line with the party's principles and policies and in accordance with the party's demands. We should be confident about this problem because:

1. The majority of our party members and cadres will do as the party says and have a strong wish to make China strong and prosperous. Being aware of their grave responsibilities in reform and construction, they are willing to do their bit and even sacrifice their lives for our economic development. It is a fact that many young party members have not been strictly tempered in party spirit and a small number of old party members and cadres lack party spirit or are lax in the sense of party spirit, but they will make efforts to enhance their political consciousness or to resolutely correct their errors as long as they are enlightened on gains and losses. As a result, they can subject their personal interests to the interests of the state and the people, give up partial and local interests for the sake of the whole, and subject immediate interests to the long-term interests.

2. Our party has pointed out the manifestations of unhealthy practices and drawn a clear line of demarcation in applying policies in checking unhealthy tendencies. Document No 57 issued by the general office of the CPC Central Committee and of the State Council last year is actually an important weapon for us to enhance our political consciousness to fight against all unhealthy trends and evil practices and check new malpractices. According to a fact-finding survey from various localities, only a few really cherished evil designs, fished in troubled waters and became degenerate and most people committed mistakes only because they could not keep a cool head under the new situation. Some comrades did not have a correct understanding of how to properly implement the central principles and policies regarding reform and opening to the outside world because they failed to conduct in-depth investigation and study. They could not draw a clear line of demarcation between what they should do and what they should not, between which way is correct and which way is wrong and between foreign advanced methods of management they ought to learn and bourgeois decadence they ought to resist. Therefore, we should not make only charges and complaints on the problems arising in our work. The history of our party tells us that whenever there is a major turn in the party's history, the whole party and particularly all cadres should concentrate on political studies so as to achieve unity of thinking. Our current reforms and our drive to open up to the world are entirely new to us. We are experimenting with different measures for making progress. It is understandable that some problems or even mistakes arose in our work because some comrades fell short of the demands of the times for a short while. However, the party Central Committee has further explained these problems and made them clear. Meanwhile, it not only held mobilization meetings to call on cadres to serve the people wholeheartedly and carry out education in party spirit and knowledge about the party, but it also proclaimed a series of stipulations in explicit terms. All this will help us keep a cool head, distinguish clearly between right and wrong, and increase our ability to resist the attack of decadent bourgeois ideology so as to avoid mistakes in work as much as possible and step up the improvement of the work styles of the party.

3. We are under the supervision of the broad masses of the people and are subject to strict party discipline. For personal gain, some people resorted to any and all means to earn money disregarding the interests of the state and the people; they did dishonest things with no regard to state law and party discipline and they even took risks with their lives when falling under the temptation of money. To fish for advantages and make a fortune, some did not scruple to barter away principles and had no consideration of personal dignity and party spirit. And some people bought over officials in charge of important departments to pave the way for their evil activities, with the result that some departments conducting discipline supervision and inspection and those defending law and maintaining public order lost their functions. All those engaged in these serious malpractices, or even crimes, could not escape being supervised and denounced by the people and being punished by the party code and state law. On behalf of the party Central Committee, Comrade Hu Yaobang recently declared solemnly: "In accordance with our party code, all honest and upright comrades inside and outside the party have the right to report accurately to the party Central Committee

serious cases of malfeasance and violations of state law and party discipline involving those who are responsible for party organizations at various levels, or even at the central level." Therefore, those who turn a deaf ear to advice, trust to luck and continue to engage in unhealthy practices will not be able to hide their evil doings. Ours is a serious party. Our party discipline permits no corruption and none of its members and cadres are allowed to engage in unhealthy practices. In accordance with the party's principles, its discipline inspection departments should rigidly examine all unhealthy practices within the party, conduct serious education and criticism and deal with all cases in earnest. Those who deliberately break the law and pervert justice for bribes, ignoring repeated advice, should be strictly dealt with and when their cases are ascertained, prompt decisions should be made without hesitation so as to enforce party discipline. Not only should we lay bare all unhealthy practices, but we should also deal with all serious cases of violating the law and discipline vigorously and speedily. Our party is absolutely able to eliminate corruptive phenomena.

Leading cadres and veteran party members and cadres must play a particularly important role in improving party conduct. During the years of revolutionary wars, it was they who charged at the head of their men and who were the first to bear hardships and to charge and shatter enemy positions and their exemplary deeds won over the trust and support of the people and cadres to the party. However, it should be noted that some leading cadres and veteran party members and cadres today fail to set an example in observing discipline and the law, or even support and cover up violations of the law and discipline or crimes of their children and relatives only because they lack party spirit or are lax in the sense of party spirit, and they think little of the cause of the party and the people but think much of their personal affairs and their families. All this can hardly add luster to the party but denigrates the prestige of the party. However, experience teaches us that, provided our party members, cadres, and particularly those working in the central leading organizations inherit and develop the party's glorious traditions, respond to the party's call with deeds, resolutely act in accordance with the party Constitution and criterion and in line with the guidelines set by the party Central Committee for improving party conduct, and set an example in building the four modernizations and carrying out the reforms; provided leading organs and discipline inspection departments at various levels do what they say in accordance with the central guidelines, uphold principles, execute orders and prohibitions, enforce the law strictly and punish those who ought to be punished; provided we do all this, we shall be able to create very favorable conditions for a fundamental improvement of the work styles of the party. Judging by the experience in improving the party's style of work in the past few years, we have come to understand that wherever leading cadres and veteran party members and cadres are not honest and upright in their ways and abuse power for personal gain, the party's work style and social conduct in general are certainly not good and unhealthy practices run wild, and that wherever leading cadres and veteran party members and cadres are honest and upright in their ways and have integrity and work always in the interests of the public, the party's style of work is certainly good and the people are much more confident about

the attainment of a fundamental improvement of the work styles of the party. We firmly believe that, provided the whole party works with one heart and one mind and achieves unity in thinking and action, we shall be able to effect a basic turn for the better in the work styles of the party.

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LISTEN TO BOTH SIDES, BE OPEN-MINDED, AND CARRY OUT SELF-REMOLDING--LEARNING
FROM COMRADE ZHOU ENLAI'S DIALECTICAL MATERIALIST STYLE OF THOUGHT

Beijing RED FLAG in Chinese No 3, 1 Feb 86 pp 8-11

[Article by Li Qin [7812 0530]]

[Text] Exactly 10 years have passed since Comrade Zhou Enlai left us. With the passage of time, we are missing him more and more. This great Marxist and loyal servant of the people performed immortal feats for the Chinese revolution and construction by giving his all until his heart stopped beating. With his theoretical accomplishments and style of thought, he left us precious spiritual wealth, of which his dialectical materialist thinking on leadership, and in particular his fine work style of listening to both sides, being open-minded, and stressing self-remolding, is a treasure.

Zhou Enlai's work style of listening to both sides is quite noteworthy and, moreover, multifaceted and multilayered.

First, he was good at heeding the various opinions of people of all quarters and strata of society and of democratic parties. He held that: If we listen exclusively to the opinions of party comrades, we will be ignorant and commit the mistake of one-sidedness. If we frequently heed the opinions of people of all quarters, this will help us enrich our thinking and correctly formulate principles and policies, as well as specific policy decisions. In the early days after the founding of the PRC, the Government Administration Council held a meeting once a week and quite a few nonparty personages were invited to the meetings to discuss problems and exchange views. Zhou Enlai praised such meetings as being different from meetings exclusively attended by party members, where one individual made a speech while others at best made some additional points. He said: In running a large country like ours, we must stress heeding the opinions of people of all quarters. He criticized some comrades for their reluctance to come into contact with nonparty personages and their preference for living and working together with party members alone because they had a common language. Consequently, their thinking became rigid. In 1956, with the basic completion of the socialist transformation of the private ownership of the means of production, he discussed the question of developing democracy and heeding differing opinions more frequently and incisively. When he conveyed Comrade Mao Zedong's report "10 Major Relationships" to the ministries and commissions of the State Council, in dealing with

the issue of the long coexistence between democratic parties and the Communist Party, he said: Now that there are different party groupings, there are divergent opinions. Our major premise is to practice socialism. Under this premise, divergent solutions to specific problems are allowed. If the Communist Party favors homogeneous bodies, allows only the existence of a single view, and heeds exclusively the opinions of a single section of people, it will cease to develop. Only when one is good at listening to different opinions can one distinguish clearly between right and wrong and between good and bad. It was at that same meeting that Zhou Enlai advised Comrade Shi Liang, who had applied for membership of the Communist Party, to "stay with the China Democratic League all your life." He said: We can hear the opinions of our friends before they join the Communist Party, but we will hear nothing from them after they become party members. This means that we will have less opportunity to hear differing opinions. If elder sister Shi joined the Communist Party, would you not be the same as elder sisters Deng, Qian, and Cai? Many comrades can play a much greater role as nonparty personages than as Communist Party members. Maintaining this role is of benefit to both the Communist Party and society. He urged the party cadres present at the meeting to heed and to seek or discover divergent opinions.

Second, he attached importance to negative and critical views. In the early days after the founding of the PRC, he pointed out: A democratic atmosphere should be created within the party and the government so that our comrades have the courage to make criticisms of leading cadres. If they find it difficult to criticize a leading cadre face to face, they may write down their criticisms in a note and leave it on the latter's desk. We must have the courage to point out the shortcomings of leading cadres and stimulate them to overcome their weaknesses, although it is a painful process for them. If a leading cadre discourages his subordinates from making criticisms of him, he is bound to fall as time goes by. He hoped other people would "embarrass" him by making critical comments about him. He said that it would be fine if his subordinates rallied together to send him notes containing critical comments. He proposed that conditions be created to encourage people to air their own views, and that efforts be made to develop democracy in various ways, to put on a rival show, and to "find fault." It will not work to sing the same tune or to demand uniformity in doing something. A rival show should be encouraged. Putting on a rival show means approaching a problem from two angles. He maintained that we should find ways of expanding democracy in terms of systems and criticize our shortcomings and mistakes. For example, delegates of the people and members of the CPPCC should be encouraged to directly inspect the work of local authorities together with the people, to have contacts with the people from an angle different from that of the government, to go into the realities of life, and "to find fault." He held that: Even if some people commit errors or adopt a bourgeois viewpoint in approaching problems, we may discover some problems that we have not discovered previously from their views.

In his brilliant speeches delivered at the forum on literature and art work and the meeting on the creation of feature films, which were held in 1961, he analyzed the harmfulness of letting a single person have the final say. He pointed out: This work style prevailing in literature and art circles should

be changed. He and the other senior leading cadres in charge of literature and art work should take the lead in doing so. If people are not allowed to doubt or discuss our proposals or suggestions, such things as study and discussion will be out of the question. Since people are allowed to discuss, to make suggestions on, and to submit amendments to the documents adopted by working conferences of the central authorities, why can my personal views not be discussed and revised? He earnestly urged people to give their critical comments on his speeches. However, he would refuse to read their comments bearing words such as "complete approval," "total support," and "correct instructions," because it would be meaningless to read them. In 1962, he further put forth the assertion that communists should have esteemed friends or friends who did not hesitate to give forthright admonition, advocating that every communist should have several esteemed friends who dared to air different views and criticize his shortcomings. If he was accustomed to such practice, his esteemed friends would become friends who did not hesitate to remonstrate. He praised Li Shimin--Emperor Tai Zong of the Tang Dynasty--for making the Tang Dynasty prosperous by adopting Wei Zheng's dissenting views. When seeing Wei Zheng approaching him, Li Shimin felt as if he were sitting on a bed of nails, but after listening to the latter's opinions, he felt as if he had taken a dose of medicine. Some of our leaders very often like and even appreciate flattery and dislike critical earnest advice, and others even retaliate against those who make criticisms against them. These statements and actions of Zhou Enlai's give communists and leaders much food for thought and are worth their self-questioning.

Third, debates were allowed and encouraged. Marx said: "Truth is established through debate." ("Collection of Letters of Marx and Engels," Vol 1, p 567) Thoroughgoing materialists are fearless. Only those who are theoretically weak fear debate, intimidating people by abusing their power rather than convincing people by reason and seeking truth through debate. Zhou Enlai repeatedly stressed the truth of "the more truth is debated, the clearer it becomes." He said: In seeking truth, debate should be encouraged and arbitrariness discarded. If what one says is right and what others say is wrong, is there still any need to debate? Even if our views are mostly correct, still we should heed and assimilate others' opinions. In this way we can make ever greater progress ideologically. In 1951, in his speech at the study class for the teachers of the institutions of higher learning in Beijing and Tianjin, he said: Some people say that they will doubt and observe any new things before making their judgment. I think they should be allowed to do so. Doubting does not necessarily mean antagonism. Since the more truth is debated, the clearer it becomes, we fear no doubts. His speech touched the hearts of the teachers, who had raised some questions concerning the Communist Party because of their lack of an adequate understanding of the party, and thus dispelled their doubts. In 1956 he further considered the problem from the point of view of its related specific rules and regulations. He advocated that debate should be allowed at the people's congress. He pointed out: The government should answer the proposals submitted by delegates of the people. If they are correctly answered, the people will feel satisfied, but if not, the people are encouraged to debate. We must not learn from the systems of capitalist countries because they are systems of dictatorship by the exploiting classes. However, it is advisable to learn from some forms and

methods of Western parliaments or congresses. This will help us discover problems from different angles. While taking charge of the study of major problems, he always encouraged debate and never casually drew conclusions by believing the statements of only one party, still less imposed his own views on others by using his power and influence. For instance, with regard to the building of the Sanmenxia key project to harness the Huang He, Zhou Enlai conducted investigations and study in various ways, listened to available different views raised by related personnel on the economic results of the project and the relationship between the upper and the lower reaches of the river, called an on-the-spot meeting to discuss problems, and, through repeated discussion and debate, finally adopted the "two holes, four tubes" proposition. According to the proposition, at the left side of the dam two sluiceways would be cut to discharge sand and four of the eight water diversion steel tubes for generating electricity would be used as sluiceways to discharge sand. Although the proposition could not solve the problem fundamentally, compared with other propositions submitted at that time, it was fairly good.

Zhou Enlai's work style of listening to both sides was closely related to his spirit of being extremely open-minded. Modesty was the internal factor that enabled him to listen to both sides. An arrogant, self-satisfied, and self-styled leader will find it very difficult to listen to differing opinions, particularly critical comments. As a man who held a high position with enormous power in his hands, and who enjoyed high prestige in the whole party and among the people throughout the nation, Zhou Enlai was quite modest and never considered himself always in the right and superior to others. He never felt content with the achievements he had made in his work and never avoided his shortcomings and errors. He was kind and sincere in getting along with people and treated people as equals. He modestly learned from others' strong points to make up his own deficiencies, just like a sponge that absorbs water, rather than an iron plate which no water can penetrate.

Zhou Enlai maintained that those who were arrogant and self-satisfied and who considered themselves leaders would end in failure. Those who treated people as equals were good servants and not bureaucrats. He resolutely opposed the practice of regarding personal statements as "instructions" and worshipping them. He said he most feared hearing the remark "please give us instructions." If what a leader says is considered to be instructions, how can one get along well with such a practice? He criticized some comrades who assumed the air of a leader and ordered people about when others asked them for instructions. They were the worst bureaucrats. While making reports or speeches, more often than not, he used his personal experience to enlighten others rather than lecturing others by putting on the air of a leader who was always in the right. Therefore, his remarks could touch the hearts of the listeners.

What is more admirable is that he never felt content with the contributions he had made, never avoided his shortcomings, and still never put the blame on others. Just after liberation, he once told some university teachers that he had made many mistakes and suffered setbacks. It would have been impossible for a high-ranking party leading cadre to courageously admit that he had made

mistakes in front of nonparty personages at a time when the Communist Party had just taken power if he had not had breadth of vision and a modest work style. He dealt with his mistakes in the party more frequently. He always took the initiative in undertaking responsibility for the problems cropping up in the work of the party and the government. This is already widely known to all. Comrade Zhou Enlai worked his heart out for the revolution and the people. As a matter of fact, his errors are not comparable with his achievements. Even so, he continuously practiced self-criticism. This was the natural indication of his being extremely open-minded. Zhou Enlai was often quoted as saying: "Be cautious and conscientious." This reflects his spirit of "never becoming arrogant and negligent in the slightest degree" in regard to the cause of revolution and construction and also indicates that his modest work style was based on his being highly responsible toward the cause of the party and the people rather than being exclusively a matter of personal moral accomplishment.

Zhou Enlai attached particular importance to ideological remolding. He held that: The aim of ideological remolding is to foster a Marxist world outlook and outlook on life and to correctly understand the objective world so that we can make no, or fewer, mistakes in our work. Therefore, from the day he joins the Communist Party, every party member should have this understanding: Be ready to keep on remolding yourself as long as you live. He urged senior leading cadres to take the lead in this regard and regarded ideological remolding as being as necessary as breathing. Were they to do otherwise, their ideology would be corrupted. With regard to the protracted nature of ideological remolding, he contended: In terms of people's understanding, objective things are constantly changing. Our understanding should improve with changes in objective reality and not remain at its original level or unchanged. The process of an old understanding moving toward a new one is also a process of ideological remolding. He said: Things develop infinitely and, therefore, there is no limit to ideological remolding. With ideological remolding, we can keep abreast of the times and forge ahead constantly rather than falling behind ideologically. If they neglect and slacken their efforts to remold their ideology, even the comrades who have belonged to ranks of revolution for years are bound to fall behind. He went on to say: The influence of the old society and the force of habit will corrupt you like germs. Therefore, we are always in the process of remolding. We must remold ourselves as long as we live, for the process knows no limits. This illustrates that ideological remolding, as meant by Zhou Enlai, is to keep on studying and making progress. This is entirely different from the practice pursued by Lin Biao and the "gang of four" under which cadres were attacked and persecuted under the pretext of "remolding oneself." Zhou Enlai stressed reliance on one's willingness in carrying out ideological remolding. The fundamental causes for the change and development of things lie in the things themselves. Internal causes are the basis for change and external causes the condition for change. External causes become operative through internal causes. So it is with ideological remolding. Ideological remolding depends chiefly on people's willingness, and the rate, extent, and depth of ideological remolding hinges on the degree of people's willingness. He had a strong aversion to those who thought there was no need at all to remold themselves and who were keen on remolding others. He said: There is no one on earth

born specially to remold others. Those who consider themselves leaders and born to remold others should in fact be remolded first. It is necessary to appeal loudly to this category of people: "Please remold yourself first!"

Zhou Enlai's dialectical materialist style of thought is admirable. We should earnestly study his style of thought, which can be considered a model for the whole party, and further rectify party work style so that our party will prosper further.

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THE SITUATION AND TASKS FACING FINANCIAL WORK

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[Article by Wang Bingqian [3769 0014 0051]; capitalized passages published in boldface]

[Text]

I

The present economic situation is very good. The task of bringing about a fundamental turn for the better in our financial and economic situation has been basically fulfilled, and the national economy has begun to show a new situation of continuous, stable, and well-coordinated development. In the aspect of financial affairs, we have gradually reversed the downward tendency of state revenue and have made up the huge financial deficits. State revenue has begun to increase since 1982 and has steadily grown in the past few years. It is estimated that state revenue in 1985 increased by about 20 percent over the previous year and marked the highest growth rate in the Sixth 5-Year Plan period. The structure of financial expenditure has also become more rational, thus guaranteeing the needs of key construction projects, development of intellectual resources and reforms in all fields. Between 1979 and 1985, the state has allocated large sums of money to settle the problems left over by history in the people's livelihood and in urban construction, and this has played a major role in improving the people's livelihood. A financial balance was achieved in the whole period of the Sixth 5-Year Plan. All these achievements did not come easily. They were the results of implementing the series of principles and policies laid down by the party central leadership since the 3d Plenary Session of the 11th CPC Central Committee and of relying on the joint efforts of the people of all nationalities throughout the country.

The financial situation is determined by the economic situation. The improvement of the financial situation can be ascribed to many reasons:

First, through economic readjustments and structural reforms, a benign economic environment has been basically established in our country. The main characteristics of a good economic environment are rational ratios between major economic sectors and steady and sustained economic growth at an appropriate rate. At present, the ratios between agriculture, light industry, and heavy industry in our country are quite rational, with each of

these three major sectors accounting for one-third of the total social output value. This state of affairs is in line with the present level of development in our country. In addition, the ratio between accumulation and consumption is also markedly improved. Although the proportion of accumulation to the national income in 1985 was still a bit too high, the average accumulation rate in the 5 years of the Sixth 5-Year Plan was about 29 percent. The development of our national economy has entered a new stage characterized by a rational structure and full of vigor and vitality. The establishment of a fine economic environment is not only a basic condition for advancing our economic structural reforms, but also a basic condition for ensuring a stable and balanced financial state.

Second, with the growth of our economic strength, the state has also acquired a more solid financial foundation. In recent years, under the premise of maintaining the dominant position of the economy under whole-people ownership in the national economy, the state has adopted some policies and financial measures to encourage and support the development of various economic undertakings which are not owned by the whole people. Thus, the collective economy in both the cities and the countryside is growing rapidly; and the individual economy is also developing to an appropriate degree. This has also enabled us to expand our sources of financial income. Now, our revenue comes from various economic forms, and our funds are also distributed through a variety of channels. It is estimated that 1985 revenue reached 177 billion yuan, or more than 72 percent more than that in 1980. There is also a total amount of more than 140 billion yuan outside the scope of the state budget. The sum of these two amounts is more than 320 billion yuan (this figure unavoidably includes some overlapping calculations, but it may show us the general situation), which is more than double the figure in 1980. This situation shows that great development has been achieved compared with other periods since the founding of the PRC. Now, we have access to rich sources of revenue, and have ample room to use our funds. This represents a prominent characteristic of our finances in the new period of socialist modernization construction.

Third, some unstable factors in our economic life have been gradually brought under control or have been solved. The excessive growth in industrial production appearing in the fourth quarter of 1984 and the problems of excessive expansion of the scale of capital investment, the issuance of credit funds, and consumption funds and excessive rises in some prices have all been gradually controlled and resolved since the party central leadership and the State Council adopted a series of rational regulatory and adjustment measures. The growth rate of industrial production has been brought down to a reasonable level. The growth rate of industrial output value in the first half of 1985 was 23 percent; it began to fall in July and fell to 17.4 percent in August, to 14.5 percent in September, and to about 10 percent in the fourth quarter. The scale of investment in capital construction, which was once expanded excessively, has been brought under control, and the excessive growth of credit funds and consumption funds has also been checked. The general index of retail prices in markets throughout the country was maintained at around the planned level of 9 percent over the whole year. We believe that with the development of our work, the situation will continue

to improve. Strengthening macroeconomic control in the above-mentioned fields will play a great role in ensuring the steady and coordinated development of the national economy as a whole and in ensuring a financial balance.

Fourth, we have intensified our economic and financial management and have strictly enforced our financial discipline. We carried out three rounds of general tax and finance examinations in 1981, 1982, and 1983, and discovered illegally withheld money totaling 12.6 billion yuan, with 5.6 billion yuan being repaid to the state treasury. In 1985, the State Council again organized a nationwide general tax, finance, and price inspection, which discovered some 8 billion yuan of illegally withheld money and recovered 3 billion yuan. The general inspection is now still in progress and will be completed around the Spring Festival.

While affirming the improvement in the state's economic and financial situation, we should also notice the difficulties and problems still existing at present. First, the situation in which the management and technological levels of many enterprises are still low and their economic results remain poor has not been fundamentally changed. In 1985, the cost of comparable products in the state-owned industrial enterprises was higher than in 1984. Losses in various enterprises were still serious, and losses in some enterprises exceeded the annual quota. Although the changes in prices, interest rates, and exchange rates affected production costs, the main reason for the increase in operating losses was poor management. Second, we have not strictly and effectively controlled expenditure, and local self-raised capital investment exceeded the limit prescribed by the annual plan. Although we have made great efforts to cut down on administrative expenses and on the purchasing power of nonindividual consumers, and have achieved results in this regard, we still failed to attain the retrenchment target laid down by the State Council. There are still many loopholes in revenue and much waste in expenditure. Although tax and finance inspections were carried out, cases of violation of financial discipline still continue to appear in various localities and departments. Poor information gathering, loose management, and ineffective supervision remain prominent problems in our financial work. Finally, in the arrangement and implementation of economic and financial plans, the contradiction between the demand for construction funds and the supply of funds remains unsettled. Especially when we are in a better financial situation, this contradiction may sometimes become even more prominent, and we may find it more difficult to distribute funds. Therefore, we must always keep sober minds, and must not be unrealistically optimistic and relax our efforts because the economic and financial situation has become better. We should continuously analyze the situation, sum up experience, and make advances so as to strive for greater improvement in our financial conditions this year.

II

According to the principles and tasks specified by the proposal for the Seventh 5-Year Plan approved by the National Conference of Party Delegates, and according to the arrangement of dividing the Seventh 5-Year Plan period into two stages, our financial work in 1986 should continue to follow the

principle of maintaining the financial balance, should consolidate, digest, add to, and improve the adopted reform measures, and should be focused on improving economic results so as to lay a good foundation for fulfilling the financial tasks of the Seventh 5-Year Plan.

TIGHTLY GRASP THE WORK OF INCREASING INCOME AND RETRENCHING EXPENDITURE, CONTINUE TO MAINTAIN THE FINANCIAL BALANCE. The state's financial balance, credit balance, materials balance, and foreign exchange balance, as well as the overall balance, are basic conditions for ensuring the coordination of various economic ratios, the stability of economic life, and the smooth development of the structural reforms. Among the four balances mentioned above, the financial balance is the most important one and holds the leading position. It provides conditions for the maintenance of the credit balance and the materials balance. The maintenance of the foreign exchange balance also needs financial support from the state. Therefore, we should always adhere to the principle of maintaining the financial balance. The key to balancing revenue and expenditure in 1986 is to strictly control the level of financial expenditure and to ensure a steady increase in financial income. To achieve this purpose, we should, first of all, make great efforts to ensure that revenue can be collected from various sources and should seriously handle tax collection work and enterprise financial work. At present, some localities, departments, enterprises, and institutions do not follow the established regulations and financial discipline, and do not strictly enforce the relevant laws and regulations. This reflects many loopholes in our financial management. We must seriously sum up experience, establish and perfect various systems, and strengthen supervision and management. Henceforth, enterprises and institutions, as well as financial and taxation departments, should strictly enforce the tax laws and regulations and handle affairs according to law and policies, and should resolutely check various lawbreaking and discipline-violating actions of evading taxes. Party and government leading comrades at all levels should support the work of the taxation departments, should overcome the one-sided viewpoint of "applying a policy of benevolence" by reducing taxes in a reckless way, and should really understand laws, abide by laws, and act according to laws. Of course, it is still necessary to support things that are favorable to the enlivening of the economy and to encourage the development of new and advanced things in light of the state policies and tax laws; and it is also necessary to help some units and undertakings which are in a difficult position by reducing their taxes or exempting them, but this must first be approved by the relevant authorities through the procedures specified by the tax laws.

The poor management and economic results in some enterprises are related to a certain degree to our loose supervision over the enterprises' financial work. Since the adoption of the measure of substituting tax payment for profit delivery, enterprise financial work is not only an important component part of enterprise management, which ensures that the enterprise can improve its operation, raise economic efficiency, tap more financial resources, and increase income, but also a basic aspect of financial and tax management. So financial departments at all levels should pay close attention to financial work in various enterprises and should make great efforts to strengthen leadership over this work. Apart from looking after all enterprises'

financial management, they should also select some positive and negative typical cases to make analysis in order to push the enterprises to improve their business management. Moreover, it is necessary to establish and perfect the economic accounting system so as to markedly raise the level of enterprise financial management.

While taking measures to ensure revenue, we should continue to strictly control and economize on expenditure. In the next few years, our expenditure must be in line with our capacity, and should first meet the needs of key construction projects, of economic reforms, and of the development of intellectual resources. If necessary, agricultural expenditure should be increased. However, expenditure in all other fields must be brought under control. Of course, expenditure in priority fields should also be economized on and appropriations should be used efficiently. In the field of capital construction, investments in the basic industries and in energy, transport, communications, and raw materials facilities should be guaranteed, but the general scale of capital construction must be strictly controlled in light of plans. Cultural, educational, scientific, and public health expenditure should be arranged in light of the two decisions on reforming the educational system and the scientific research system. The increased rate of expenditure in these fields can be higher than the growth rate of constant revenue. In recent years, state expenditure on agriculture increased slowly, and funds directly used for supporting agricultural production even decreased. At present, the household output contract responsibility system has been adopted, consolidated, and developed throughout the countryside and has achieved remarkable economic results. Under these circumstances, the state will increase investment in the comprehensive projects of harnessing and utilizing major rivers, and governments at and below the provincial level also need to increase expenditure on aiding agriculture, and their funds should be mainly used to improve basic conditions for agricultural production and for promoting agricultural technologies. We should continue to do a good job in reducing administrative expenses and in reducing the purchasing power of social groups. We will assign targets in this regard in 1986 in order to more effectively control and manage the use of funds. We uphold the principle of building the country through diligence and frugality, oppose extravagance and waste, and always try to do more with less expenditure.

In order to maintain the financial balance of the whole country, financial departments at all levels should implement the principle of making ends meet each year and striving for a slight surplus. They should not have deficit budgets. In 1985, because local revenues exceeded the budget targets, many localities had financial surpluses. They should keep these surpluses as their financial reserves and should not use them before they are sure that they have made ends meet in the previous year. It is dangerous to use the surplus according to the estimates early in the year, and such a practice also violates the principles of the state's budget management.

The financial balance is closely related to the credit balance, the materials balance, and the foreign exchange balance. The financial departments should cooperate with other departments in maintaining the comprehensive balance between all kinds of funds. In particular, we should strengthen the

management of the funds outside the state budget, and should seriously examine the "small tills" of various units. To manage the use of funds outside the state budget, we may adopt such methods as putting this money in special savings accounts, subjecting it to planned management and to bank supervision over its use, which must be approved by the financial departments, while leaving the ownership of the money unchanged. The money in the special savings accounts cannot be used to operate development companies or to invest in capital construction. The money in the "small tills" should be examined regularly. The money legally retained by the units can continue to be held by these units, but illegally withheld money should be turned over to the state treasury. The financial departments should cooperate closely with the banks in establishing the necessary management system.

CONTINUE TO PERFECT THE FINANCIAL AND TAXATION SYSTEM AND MAKE NECESSARY PREPARATIONS FOR FURTHER REFORMS IN THE PERIOD OF THE SEVENTH 5-YEAR PLAN. In the first 2 years, the stress of the reforms should continue to be placed on ensuring stable economic development and strengthening and perfecting the indirect control system in the macroeconomic field so as to make up for some deficiencies. Therefore, financial reforms this year should mainly serve the purpose of consolidating, digesting, adding to, and improving the reform measures which have been adopted. Concretely speaking, we should improve the tax system which has been substituted for the previous profit delivery system and should perfect the industrial and commercial tax system. At the same time, we will begin to draw up some necessary reform measures in order to prepare for further reform of the financial and taxation system in the last 3 years of the Seventh 5-Year Plan.

In order to further invigorate large and medium-sized enterprises and gradually develop their self-transforming capacity in a planned way, the State Council has decided to reduce the regulatory taxes imposed on the large and medium-sized backbone enterprises which are shouldering heavy tasks for technological transformation and export-oriented production and which have made great contributions to the state, and to gradually raise the depreciation rate of the fixed assets in these enterprises in a planned way. The work in these two aspects should be properly coordinated and arranged. Consideration should be given to the specific conditions of various enterprises and to the financial capacity of the state. In particular, the additional money left in the hands of the enterprises as a result of the tax reduction should be genuinely used to renew equipment and transform technologies and must not be used to conduct capital construction or to issue bonuses and other welfare allowances. It is necessary to continue to perfect the industrial and commercial tax system and to give full play to the tax lever in economic regulation. It is also necessary to improve and perfect the tax law related to foreign economic activities.

In the field of the financial management system, in 1986 we will continue to implement the system of "dividing taxes into different categories, auditing income and expenditure, and assigning quotas to various levels." At the same time, we will seriously build a sound financial management structure at the township level and will particularly do a good job in handling the agricultural financial work and rural tax collection work.

This will help promote township development and promote rural economic prosperity.

MAKE MAJOR BREAKTHROUGHS IN RAISING ECONOMIC EFFICIENCY BY TAKING REALISTIC MEASURES AND GIVING PRIORITY TO KEY POINTS. Correctly handling the relationship between economic results and the growth rate by making the growth rate subject to good economic results and putting the enhancement of economic efficiency in a prominent position in economic work is a constant principle laid down by the central authorities. Our financial work, whether in the field of ensuring the financial balance or in the field of inspecting the reform results in the financial and tax systems, should also serve the purpose of promoting the enhancement of economic efficiency. The enhancement of economic efficiency will rely mainly on the efforts of all departments and units, especially grass-roots units, but the financial and tax departments at all levels should also do a good job in this regard. Things in this regard are rather complicated and the work is rather difficult. However, as long as we unify our understanding and coordinate our work, link our financial work with actual conditions, cooperate with relevant departments, give priority to some key points, and work in a down-to-earth manner, our efforts will certainly be fruitful.

Poor product quality, high expenditure on materials, long construction periods, and low economic efficiency are long-standing problems in our production and construction. They can also be said to be "chronic and stubborn diseases." If we fail to effect a radical cure of these diseases, we will not be able to make full use of our resources to create more wealth by expending less labor and materials, and will not be able to satisfy needs in the people's livelihood, in production and construction in all fields, and in the efforts to expand exports. Comrade Zhao Ziyang pointed out: The key to the successful conducting of production and construction in the period of the Seventh 5-Year Plan is to make great efforts to raise the economic efficiency of the enterprises and actively build up their capacity for earning foreign exchange through increasing exports. This is correct. The potential in this regard is quite great. So long as we are more conscious and dynamic in our work, we will find many new ways and methods. We must shift the focus of our attention to the improvement of economic results and must make greater efforts in this regard. We should actively support and promote the measures which will help improve product quality, lower costs, shorten construction periods, and raise economic efficiency. We should study the effective ways to use our financial resources. Whether financial resources are used properly is a crucial matter concerning the development of production and construction and concerning the opening of sources of revenue and the concentration of funds. We must try to achieve a satisfactory economic efficiency in both the productive and nonproductive fields in arranging both income and expenditure. At the same time, our work should be focused on some key points. We should lay stress on industrial and commercial enterprises and on capital construction departments. The financial departments in all provinces, municipalities, and autonomous regions should conduct investigations and studies in one or two cities and counties and in one or two industries so as to sum up the experience in raising economic efficiency and to spread successful experience.

In order to maintain the financial balance, promote reforms in various fields, and raise economic efficiency, we should also strengthen the work of gathering and transferring information and base our financial work on scientific and correct forecasting. Information work is now a weak link in our financial and taxation departments. For many years in the past, the poor state of information work led to many errors in policy decisions and in the implementation of policies. We should seriously draw lessons from this experience. At present, the financial and taxation departments are still ill-informed and feedback is very slow. The work of synthesizing and analyzing information is not effective and efficient either, and should be further improved. We are now prepared to set up a system for transferring information and for reporting. We will also make use of some modern means such as computers and will increase the use of telex to process and manage information. In the information work, we should not merely collect statistics, we should strengthen the analysis of the data and the study of policies. Leading cadres of the financial and taxation departments should change the previous work style of engrossing themselves in routine matters, and should be determined to spare time to make investigations and studies in the forefront of financial and tax work and to seriously resolve major issues so as to take the initiative in reforms and in financial work.

III

The objective of our efforts is to build a modern socialist country with a high degree of civilization and democracy. The four basic principles must be carried out in all of our work. We should not only use our policies and financial resources to guarantee the building of socialist material and spiritual civilization, but should also require all cadres in the financial and taxation departments to adhere to the principles of socialist spiritual civilization and to abide by the professional ethics of financial and taxation work.

At present, the financial and taxation departments and the construction bank are facing an important and urgent task. That is, they should simultaneously build the "two civilizations" and attach great importance to the building of socialist spiritual civilization by strengthening political and ideological work and intensifying the study of Marxist theory. Socialist finance must be guided by Marxist theory. When handling the work of accumulating and distributing funds, the financial departments' work is directly and closely related to the implementation of the party's line, principles, and policies. At the same time, the financial departments and financial cadres are also executors of laws and regulations. They themselves must set a good example in abiding by party discipline and state laws. All this shows that our financial work has salient political and policy characteristics. We must pay special attention to the ideological and organizational construction in the financial departments. In recent years, we have handled a number of cases in which some financial and taxation cadres violated laws and were guilty of graft or bribery. In the current general tax and finance inspection, we have also discovered that some financial cadres are involved in graft, embezzlement, and bribery cases. Experience over many years tells us that when handling financial work, we should never relax ideological and

political work among the financial cadres; when giving professional training to the cadres, we should also conduct training in ideals, morality, and discipline among them and organize them to study Marxist theory and should require them to maintain unity. Unity should be strengthened and cooperation should be closer between the financial and taxation departments and the banks and between new and old cadres. Our old comrades should not only play a leading role in professional work, but should also be models in ideology, work style, and unity. Our financial and taxation cadres should carry forward the fine tradition of being hardworking and honest in performing their official duties.

We should continue to strengthen the financial and tax institutions and build up the cadre contingent in these departments. Recently, a central leading comrade clearly pointed out: Economic departments, especially the commercial, grain, and financial departments, should make great efforts toward ideological and organizational construction among their cadres. Henceforth, our financial departments and taxation departments should do this effectively and consolidate the achievements of party rectification so as to meet the needs in the new period and fulfill the arduous tasks specified by the Seventh 5-Year Plan. In the next few years, we will not only increase the number of competent cadres in the taxation department, but will also send tax supervisors and financial monitors to various state-owned enterprises so as to prompt them to improve their financial work.

We must resolutely check and correct the unhealthy tendencies and lawbreaking and discipline-violating actions among cadres in the financial and tax departments and in the construction bank. We should take the maintenance of a fine work style as a major political task. We should deal first with the irregularities in the six major aspects pointed out by the circular issued by the party Central Committee's General Office and the State Council's General Office, and should seriously examine and correct the unhealthy tendencies such as liberalism in the political field, individualism in the ideological field, bureaucratism in work style, and the practice of making use of official functions and powers to seek private gains. Checking and overcoming these problems is not only an important guarantee for fulfilling this year's financial task and maintaining the financial balance, but is also favorable to overcoming some corrupt practices and effecting a fundamental turn for the better in our party style and in public conduct.

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A SURVEY OF WENZHOU'S RURAL ECONOMIC DEVELOPMENT

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[Investigation report by Wang Fang [3769 5364]; capitalized passages published in boldface]

[Text] Over the past few years, Wenzhou's economic development roused the concern of various departments. In order to clarify the current situation and trend of Wenzhou's rural economic development, last August some comrades of the relevant provincial departments and I spent more than half a month in Leqing, Yongjia, Ruian, Pingyang, and Cangnan Counties in Wenzhou to make an on-the-spot survey of some family factories and specialized commodity markets and study and discuss the questions related to the characteristics of Wenzhou's rural economic development, the position and role of household undertakings, and the ways to give correct guidance and strengthen management.

I

In the past, Wenzhou's rural areas were always poor and backward. Since 1979, under the guidance of the 3d Plenary Session of the 11th CPC Central Committee, the vast number of peasants there have found a new path to develop the economy, overcome poverty and become rich. Through several years of efforts, most of these areas, in particular, the five coastal counties have profoundly changed the features of their rural economy. In 1984, the city's gross industrial and agricultural output value and financial revenue more than doubled those in 1978. The city has thus put an end to many years of slow development. In 4 years, the per capita income of the peasants there more than doubled. There have not only been some rich households that earn more than 10,000 yuan a year, but most of the masses of people have also become better off. In Yishan, Qianku, and Jinxiang Districts, Cangnan County, quite a few people had difficulties in their livelihood before 1979, but now the people there have already begun to become rich and more than 80 percent of the rural households there have built buildings of two or more stories.

The outstanding changes in Wenzhou's rural economy are:

More than 800,000 rural laborers in the city (accounting for about 60 percent of the total number of laborers there) have left farmland and switched to undertaking industry, commerce, communications, transport, and other service

trade on household or joint household basis. Among these people, 330,000 are engaged in industry, 220,000 are engaged in commerce and activities of sales and purchases, and 280,000 have gone to other areas to provide labor service. The large-scale transference of rural labor to nonfarming undertakings is an important manifestation of another emancipation of rural productive forces.

Throughout the city, there are 133,000 industrial enterprises run by households independently or jointly. In 1984, the gross output value of household industry was 800 million yuan, accounting for nearly 60 percent of the gross industrial output value of all the city's rural industry. Most of the raw materials for the household industry are leftover bits and pieces of industrial materials and waste materials. For example, many village households in Yishan District, Cangnan County are engaged in the production of textiles of regenerated acrylic fiber. The raw materials they use are all leftover bits and pieces from synthetic fiber and clothing factories. Their annual consumption of raw materials is equal to 34 million jin of cotton (the output of 340,000 mu of cotton land). Most of the products of family industry are small commodities that urban factories are not willing to produce and for which there is an urgent demand in people's livelihood.

Throughout the rural areas in the city, there are 10 specialized commodity markets and production and sale bases with an annual turnover larger than 80 million yuan. In 1984, the total turnover of these 10 specialized markets was 955 million yuan. These markets and family industry depend on and promote each other. Some of these markets have gradually taken shape on the basis of the development of family industry. For example, the five regenerated textile market in Yishan District was one of them. The development of some of these markets have taken along the development of family industry. For example, since the button market at Qiaotou, Yongjia County emerged, over 400 family and collective button factories have been set up one by one in that area. These factories have established, through salesmen, relatively stable supply and purchase relations with over 300 button factories (most of them state-owned ones) in the whole country and thus promoted the development of state-owned factories.

Throughout the rural areas of the city, there are over 100,000 people who are engaged in purchase and sale activities. Originally, most of them were engaged in service of fixing and reparation trade such as cotton fluffing and shoe reparation or did small business. Since rural commodity economy began to develop, they have begun to switch to the activities of purchases and sales, and gradually formed a specialized sector. They traveled all over the country to purchase raw materials, market products, sign contracts, and pass on information. They play an important role in promoting the development of rural industry and enlivening the market.

To sum up, the basic characteristics of Wenzhou's rural commodity economy are that it is based on family undertaking, that its pillars are the family industry and the joint venture industry of households, that it relies on the specialized markets and regards purchase and sales workers as its backbone force, and that it has thus formed an economic structure different from that in southern Jiangsu and in Ningbo and Shaoxing Prefectures of our province.

The emergence of the unique structure of rural commodity economy in Wenzhou has been determined by objective social and economic conditions. First, there is a shortage of farmland for a large population. The per capita farmland is only 0.46 mu. This compels large numbers of rural surplus laborers to transfer to nonfarming undertakings. Second, the industrial foundation of the city is weak. The total net value of fixed assets of the industrial enterprises in the city that are owned by the whole people and that are independent accounting units is only 370 million yuan; that of collective industrial enterprises is only 280 million yuan. Urban economy does not have much force of radiation and attraction on the rural areas. Third, the force of collective economy was originally weak in the rural areas. In particular, there was little collective industry or sideline undertakings and there was a shortage of funds and technology. Therefore, the peasants had to rely on the force of their families to develop individual industry, commerce, and other service trade. Fourth, in Wenzhou's coastal areas, there are a large number of able and skilled workers and people who are good at doing business and there has been a tradition of handicraft industry and commerce. In the past, people failed to understand or attach importance to these objective conditions; therefore, for a long time, the rural economy there was restricted in the narrow scope of centralized management and "regarding grain as the key link." The local people time and again tried to change this backward situation, but they were criticized and persecuted for pursuing "capitalism." It was not until the 3d Plenary Session of the 11th CPC Central Committee that under the ideological line of seeking truth from facts, the party organizations at various levels and the masses of people in Wenzhou found a new path of developing socialist commodity economy that conforms to the reality in Wenzhou's rural areas.

II

Generally speaking, the new path of the development of the commodity economy in Wenzhou's rural areas conforms to the socialist orientation. It has already played a clear role in reinvigorating the rural economy, and helping the vast number of peasants become rich as soon as possible.

IT IS CONDUCTIVE TO GIVING FULL PLAY TO FAMILIES' ECONOMIC FUNCTIONS AND DEVELOPING SOCIAL PRODUCTIVE FORCES UNDER THE PRECONDITION OF PERSISTING IN MAINTAINING THE DOMINANT POSITION OF THE SOCIALIST PUBLIC-OWNED SECTOR. At the present stage, in developing agriculture, we should implement the contract responsibility system geared to families. In developing rural industry, commerce, communications, transport, and other service trade, we can also adopt the form of family undertaking. Judging by the situation in Wenzhou, the industry and commerce conducted by families are basically of individual economy. However, they are a necessary supplement to the socialist economy and are subordinate to the socialist economy. Family undertaking has some obvious characteristics: It can directly link the producers' interests with the results of the undertaking and thus give full play to their initiative; it can utilize the peasants' own funds, residence, and traditional skill to develop production; and it can be managed flexibly, promptly organize production in accordance with market demands, and has great ability to meet emergency. A big factory often incurs losses in producing small commodities

that are worth less than 1 fen or worth several fen each, but family factories often find the production profitable because of their painstaking management and planning. Although family factories have their limitations concerning production scale and the application of modern science and technology, they are not unable to apply some advanced technology. For example, some family factories in Jinxiang, Aojiang, and Liujiang are cooperating with higher education and scientific research institutes in producing wool or synthetic fiber fire-resistant carpets and glass fiber reinforced plastic air purifiers that conserve energy, and other products and components of relatively high technology. These facts show that as long as we satisfactorily guide rural families in giving play to their economic functions, we will be able to turn them into an organic part of the socialized mass production.

IT IS CONDUCTIVE TO GIVING FULL PLAY TO THE REGULATORY ROLE OF MARKET MECHANISM AND ENLIVENING OUR URBAN AND RURAL ECONOMY IN ACCORDANCE WITH THE REQUIREMENTS OF THE PLANNED COMMODITY ECONOMY. Most of the products of the family industry in Wenzhou are small commodities of daily use. If these products are all produced and allocated by the state plans, often they are stockpiled somewhere and in short supply elsewhere. Wenzhou city relies on family factories in producing and on specialized commodity markets in dealing in these commodities and the result is quite different. It has always maintained a prosperous buyers' market for all kinds of small commodities and has unprecedently enlivened its urban and rural economy. The secret of its success in achieving the above is that it has applied the law of value and the regulation of market mechanism and thus link the production of thousands of families and the diverse kinds of products with constantly changing demands.

IT IS CONDUCTIVE TO SPEEDING UP THE CONSTRUCTION OF SMALL RURAL TOWNS AND THE GRADUAL TAKING SHAPE OF A NEW-TYPE RELATION BETWEEN OUR URBAN AND RURAL AREAS. The development of family industry and specialized commodity markets has raised new demands on the construction of our rural towns. At the same time, it has provided funds and materials and goods and thus created conditions for the construction. According to a survey in 20 formally established towns, from 1980 to 1984, over 1,200 projects have been built, in which 132 million yuan had been invested. Of this amount of funds, 81 percent was pooled by the masses of people. In more than 1 year, through raising funds by various means, Cangnan County's Longgang town built 15 new streets and newly built 130,000 square meters of buildings of three or more stories. It has also built docks, a waterworks, a vegetable market, schools, hospitals, and other public facilities. A large number of peasants who have skill and who are good at doing business have vied with one another to come to the town to settle down and set up various kinds of enterprises. The town which was originally a small and lonely village has now become a new-type rural town that has initially taken shape. If we had relied on the state only, it would have been impossible for us to build so many projects in such a short time.

IT IS CONDUCTIVE TO TRAINING A LARGE NUMBER OF TALENTED PEOPLE WHO KNOW TECHNOLOGY AND ARE GOOD AT DOING BUSINESS. As the rural commodity production develops, the vast number of peasants have intensified their contacts with

the outside, widened their field of vision, and been inspired with an enthusiasm to learn reading and writing and technology. Their traditional ideas have thus been changed. In particular, new-type peasants who have both some education and knowledge and the pioneering spirit, have emerged among the youths there.

Wenzhou's form of economy with family undertakings as its core also has its weak points and limitations. The dispersed operation of separated families has limited economic strength, is relatively weak, and lacks reserve strength. Its equipment is simple, technology is backward, and products are mostly of low grade. Therefore, it lacks the competitive edge in competing with large and medium-sized cities or developed areas. The administration and management of its production to some extent lacks planning and are blind and backward.

III

In Wenzhou's rural areas, as the commodity economy develops, not only a commodity market but a fund market has emerged. There are many new situations and new problems that need conscientious study and discussion. We should correctly guide and satisfactorily manage Wenzhou's rural economy founded on family undertakings, give play to its positive role, restrict and overcome its negative role, and thus enable it to develop healthily along a socialist orbit.

1. It combines the development of the commodity economy with that of the cooperative economy. As the production scale of the family industry in Wenzhou continues to expand, some of it has already broken the boundary of family undertakings. As a result, two trends have emerged. One is the development of combines; and the other is the gradual increase of workers employed by households. Both trends are the demand resulting from the further development of the commodity economy. Our orientation is to follow the road of establishing combines and developing the cooperative economy. This is consistent with the development of our socialist commodity economy. At present, the masses of people have already created diverse forms to form combines between themselves. Some of them have established combined agricultural, industrial, and commercial companies, others have set up joint stock companies, and so on. Although these forms of cooperation are relatively loose at present and although their members and forms are continuously changing, their advantages are displaying themselves increasingly clearly. We should conscientiously guide peasants in forming combines, but we should follow the principle of voluntary participation and mutual benefit and should not be too anxious in doing so. Even less should we adopt administrative and compulsory means to force them to form combines. In the light of the objective demand of our production, we should continue to create and perfect the forms of the combines in the process of our practice and combine the flexibility of family undertakings with the advantages of combines. Concerning the employment of workers by households, we should proceed from the necessity of combining production factors such as funds, technology, and labor on a relatively larger scale and from promoting the development of our rural productive forces, and thus enable the practice to gradually transform into the establishment of joint stock companies or cooperatives.

2. We should strengthen our macroeconomic readjustment in the sphere of distribution. Since the beginning of the development of Wenzhou's rural commodity economy which is based on family undertakings, there have been some changes in the distribution of the national income. The state's financial revenue accounts for a decreasing percentage in the national income, the accumulation of the collectives has fallen, and the income of individuals has risen fairly greatly. There has been a relatively great disparity between the income of various producers and traders and a number of households have emerged whose income is above 10,000 yuan. Most of these high-income households are purchase and sale workers, family industrialists who employ relatively many workers, construction contractors, and those who provide credit for people on a large scale. Their income is high, but their tax and social burdens are much lower than state-run and collective enterprises. This situation shows that we must strengthen our macroeconomic readjustment in the sphere of income distribution. First, we should satisfactorily handle the relations between the state, collective, and individual. In regard to the income of individual traders and producers, we should also apply the means of taxation to readjust it. The kinds of taxes that we have already imposed should be collected in accordance with the regulations. We should conscientiously investigate and handle the cases of tax evasion. Most of the income tax collected from individual industrialists and traders should be retained by the localities, regarded as an important source for the revenue of counties and townships (towns), and mainly used in rural education, construction of villages and towns, and providing aid to agriculture. No matter what form of contract responsibility system is adopted in a collective enterprise, a certain proportion of its profit should be transferred into its accumulation funds. If the income of rural people in different lines of undertakings such as industry, commerce, and agriculture differs too greatly, we should also adopt economic means to readjust it in order to reduce the disparity of income between those engaged in agriculture and those engaged in industry and commerce. By so doing, we will make those engaged in agriculture have production initiative. Otherwise, the harmonized development of our rural economy will be hindered and many social problems will emerge.

3. We should strengthen our control over product quality and business activities and thus improve the reputation of family undertakings. At present, unsatisfactory product quality, unhealthy business style, and low social reputation have already become outstanding problems that hinder the further development of Wenzhou's family industry. Therefore, the Wenzhou City CPC Committee and government have already adopted and are adopting measures. First, they have organized their various departments, including the industrial and commercial administrative, industrial, communications, scientific and technological, medical, and political and legal departments, to do a good job of service and administration, help improve product quality, establish and perfect quality examination institutes, and increase testing means. These departments have been told to exercise strict control over electric and mechanical products and food that have a direct bearing on the safety of people's life and property and ban the marketing of any products that are not up to the standards. They are also told to conscientiously investigate activities of producing fake products and fraud. Second, we should sort out our individual industrial and commercial households including purchase and

sale workers. They should be registered at and be issued licenses by the industrial and commercial administrative departments and gradually keep and perfect their accounts. We should teach the purchase and sale workers to correct their work style and pay attention to commercial ethics. Third, we should speed up the popularization of free education, satisfactorily grasp rural educational reform, set up vocational schools and technical training courses in the light of the characteristics of local production, and heighten laborers' educational and technological level. Fourth, we should strengthen our leadership over mass organizations such as associations of individual laborers and give full play to their role of self-education, self-service, and self-management.

4. We should strengthen our control over rural fund market. Most of the production and exchanges in Wenzhou's rural family industry are cash transactions and the turnover of currency is very big. However, our agricultural banks and credit cooperatives do not have the systems and management methods that are adapted to this situation. Therefore, they cannot absorb the large amount of idle funds among the people nor can they satisfy the individual industrial and commercial households' demand for credit. As a result credit provided by the people has developed to a great extent. Therefore, strengthening our control over rural fund market and speeding up the reform in our rural credit cooperatives have become an urgent problem. The key link of the reform is to restore the credit cooperatives' nature of cooperative economic organizations, relax our control over credit cooperatives, enliven them and allow them to adopt floating interest rates of their loans and deposits within the scope of the state's policies and regulations. At the same time, we should do a good job of carrying out internal reform in our credit cooperatives, overcome the malpractice of "eating out of the same big pot," and implement the responsibility system that combines responsibility, power and interests. Once we have enlivened our credit cooperatives, we will enable them to play a greater role in solving the problems related to funds for our township and town enterprises, individual traders, and family industry.

5. While developing rural industry and commerce, we should continue to increase our aid to agriculture. Now, there has been a tendency of reduction in Wenzhou's agricultural production, in particular, grain production. In some areas, extensive farming is conducted and the practice of allowing farmland to lay idle has even emerged. The major reasons for this are: 1) The development of family industry and commerce has turned many rural households into households that are mainly engaged in industry and commerce while being engaged concurrently in agriculture. These households are not very much interested in the small income from agriculture. 2) Some of the policies and measures of the state and collective have failed to bring about any effect and others have not been implemented. 3) The leadership in some areas has to some extent neglected and failed to grasp agricultural production.

How we are to strengthen our aid to agriculture and give play to its role as the foundation, continues to be an issue that we should not neglect in developing our national economy. Since the transference of large amounts of

labor to nonfarming undertakings in our rural areas, the fundamental way to raise labor productivity and commodity rate of our agriculture is to urge land to be concentrated in the hands of a small number of skillful farmers and the development of specialized and socialized production. The specialization and socialization of our agriculture is a development process that takes a long time. At present, a number of specialized agricultural households, family farms, and economic organizations that serve agricultural production have already emerged in Wenzhou's rural areas. However, they have met quite a few difficulties in their production and operation. Some of them are reducing their scale and others are planning to transfer to other undertakings. This situation must draw our attention. The more developed the industry and commerce in our rural areas, the less should we neglect agricultural production. If our agriculture shrinks, there will not only be a waste of our resources such as farmland, mountains, forests, and water, but the development of our industry and commerce will also be hindered. Therefore, we should continue to stress that all lines of trade and industry should support agriculture, that we should do a good job of pre- and after-production service, that we should continue to carry out some measures to subsidize agriculture that have been proved to be effective, that we should support households specialized in agriculture, and that we should mete out economic punishment for the activities of abusing or laying idle farmland.

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COMMENTING ON 'TAKING THE POCKET AS A YARDSTICK'

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[Ideological commentary by Shi Youxin [2457 0645 2946]]

[Text] What is called "taking the pocket as a yardstick" refers in economic activities to the idea of "as long as one does not pad one's own purse, things can be done in any way," or "as long as it is for the collective, anything can be done." These are erroneous ideas which have become prevalent among some party members and cadres in the last few years.

Seen on the surface, these ideas seem like strategems for setting down a clear division. However, this division is in fact not clear and cannot provide a way to divide things clearly. This is because although one says one is "not going to pad one's own purse," it is advocated that one's region and one's unit can do anything. This is no different to saying that, in order to obtain benefits for one's region and unit, it is allowable, within limits permitted by policies and laws, to use policy "loopholes" to engage in activities which run counter to law and discipline. As long as one can gain money, any method can be used. Even if a method is improper, that is not of great importance. It is not even unreasonable to take things out of the state's pocket and the pockets of other regions and units to fill the pockets of one's region and unit, because this is for the collective, not for filling one's own purse. Why can actions which violate policies and laws be discussed and passed in party meetings in some regions? How is it that such dishonest practices can be engaged in a guided and organized way? Why is it that indiscriminate issuing of money and goods, indiscriminate price rises, excessive retention of profits, evasion of taxes, party and government organs engaging in commerce and repeatedly reselling at higher prices, making and selling fake goods and other such unhealthy tendencies in various areas has not been stopped? Why is it that when these things are investigated and handled, the parties concerned feel wronged, some even feeling outraged? It must be said that this is closely related to provocation by the ideology of "taking the pocket as a yardstick." What sort of ideology is this? It is a typical ideology of selfish departmentalism or group selfishness. It is an ideology which encourages people to engage in dishonest practices for the interests of a small group and a small number of individuals, and encourages them to speak in defense of these dishonest practices.

Many facts show that if a party member or cadre allows this ideology of "taking the pocket as a yardstick" to become a part of his actions, then if he wants to control the zipper on his own pocket so that he really does not pad his own purse it becomes very difficult to do so. For example, the cadres of some units violate financial discipline, retain excessive profits, evade taxes, indiscriminately issue money and goods, all while saying this is for promoting the development of the unit and for the benefit of the masses. However, the purses of these cadres do not remain empty; they obtain at least as much as the unit average. Situations exist where bonuses are given out on the merits of a job position, the greater the bonuses given, the higher the level. While staff and workers get a few hundred yuan, the cadres will get 1,000-plus yuan. It is also possible that initially a person may not want money, or at least much money. But after a period of engaging in this "anything goes," he sees other people's purses growing. Thus, the hold on his own purse zipper slowly loosens. Why is this? The logic is simple. Group selfishness is just expanded individual selfishness. Talking about group interests is often the same as talking about individual interests. As to the premeditated use of the pretext of "not padding one's own purse" in order to obtain more income in a more ingenious way, nothing more need be said.

It is possible that among those party members and cadres who "take the pocket as a yardstick" and approve of the method of not worrying whether a means is proper or not as long as it is for the benefit of the region or the unit, there are those who are not padding their own purses. What of them? Can we say that they are doing nothing wrong? No! Wherever such an ideology exists, it is wrong because it departs from concepts of right and the principled stand by which party members and cadres should abide. Using such an ideology to guide activities is even more erroneous. Certainly, seen from the temporary interests of a single region or a single unit, doing things in this way may bring some benefits, or even great benefits. However, seen from the long term, it conceals problems which exist there. This is not advantageous in bringing into play latent potential and real superiorities. This does not enliven the economy in these places and will in fact lead to a laxity of popular sentiment which will result in undertakings being neglected. Seen from the macro-level, this can lead to a series of problems.

Its influence is disadvantageous to the development of the overall socialist commodity economy and can even produce disorder and obstruct the smooth implementation of our overall economic reforms. Of particular seriousness is the possibility that doing things in this way will corrode cadre ranks and produce unhealthy tendencies both in economic activities and within our society. It may provide opportunities and conditions for "padding one's purse," stressing personal interests and criminal actions which infringe the law. In Hainan region, when a small number of leaders "took the pocket as a yardstick" and engaged in the resale at higher prices of foreign exchange and motor vehicles, they used great amounts of state foreign exchange and credit, but there was little change in the appearance of the region. The peasants who constitute 80 percent of the region's population received no benefits. At the same time, some party members and cadres wound up with considerable amounts in their own purses. Over 140 cases of economic crimes, including

corruption, accepting bribes, speculation, and fraud were uncovered there. This occurrence, whereby some Chinese and foreign criminals took the Hainan region as an adventurers' playground, provides us with some thorough lessons.

From this, we can see that deciding on which economic activities can be engaged in, and which cannot be engaged in, cannot be decided on by "taking the pocket as a yardstick." Rather, we must take as the yardstick whether the activity accords with policies, laws, and discipline, whether it strengthens the state and makes the people happier and more prosperous. Engaging in unhealthy activities and in activities which violate policies, law, or discipline harms the interests of the state and people. Regardless of whether such activities are for the individual or for the collective or whether an individual's purse is being padded or not, all such activities are wrong. This of course does not mean one should not stress the interests of one's region or one's unit.

A leader who does not try to improve the situation in the region or unit for which he is responsible and does not pay attention to the interests of the masses of that region or unit is not worthy of the name leader. But this must be related to the restrictions imposed by policies, laws, and discipline. Also, one cannot ignore the relationship between the part and the whole, or build the interests of one's region or unit on the basis of harming the interests of the state and people. Entrusting one's hopes to dishonest practices, getting rich by foul means, harming others in pursuit of one's own interests, and using state property to benefit local interests are all evil ways. Things obtained in such ways can only be called ill-gotten gain.

Party members and cadres should not look at problems and act only on the basis of the interests of their region or unit. In carrying out each action, they should first think about whether the action accords with party policies and will affect the overall interests of the state and the people. If it violates policies or harms overall interests, then it should be voluntarily abandoned. Carrying out policies and considering the overall situation is not an impediment to seeking benefits for one's own region or unit. Rather, it is a condition and a guarantee for realizing the appropriate interests of the region or unit. The whole must assist the parts, while the parts must safeguard the whole. In the present situation, where party style and social atmosphere have not yet taken a turn for the better, carrying out one's economic activities and resisting various unhealthy trends may bring temporary disadvantage in terms of the interests of the unit, but it will benefit the whole. When circumstances require, it may be necessary to consider abandoning partial interests to guarantee overall interests. In the end, this will also be of advantage to the parts. Our party members and cadres must broaden their views a little and should not just act on the basis of momentary interests by "taking the pocket as a yardstick."

The series of correct principles and policies stipulated by the party Central Committee provided a basic guarantee that the reforms and construction will be successful. Every party member and every cadre, when considering problems and handling affairs, should be consistent with party policies. Implementation of such policies must be linked to the actual situation in the region and

unit. This is a principle, but we cannot use the pretext of "linking up" to violate policies and do things differently. In our reforms we must advocate the spirit of creation and exploration through practice, but we cannot use exploration as an excuse to exploit "loopholes" in policies and engage in "countermeasures." In some areas, there is some "flexibility" allowed on certain matters in accordance with the actual situation. But this "flexibility" is not the same as covertly violating policies. Rather, it is "flexibility" with the precondition of upholding basic socialist principles and basic policies. Not only will this benefit the people of that area, but also the state and the people. We cannot engage in activities which violate laws and discipline or which further unhealthy practices. We cannot take dishonest paths and harm the basic interests of the state and people. These principles apply at all times in all areas. Implementing policies, observing law and discipline, and treating the interests of the state and the people as being of supreme importance are yardsticks which no party member or cadre can exceed and political qualities which they should all possess.

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HOW TO APPROACH CONTEMPORARY WESTERN PHILOSOPHY

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[Article by Zheng Hangsheng [6774 2635 3932]]

[Text] Following the implementation of our nation's policy of opening up to the outside world, the problem of how we are to correctly approach contemporary Western philosophy has been placed on the agenda. Seeking truth from facts and concrete analysis are the core and basic footholds in using a Marxist stand, viewpoint, and methods in looking at contemporary Western philosophy. If we divorce ourselves from this, then we will be unable to make correct analyses and judgments about contemporary Western philosophy. In using the approach of seeking truth from facts and concrete analysis in looking at contemporary Western philosophy, on the one hand it is necessary to uphold party principles in regard to philosophy and criticize the idealist and metaphysical tendencies contained within them. We cannot adopt a laissez-faire attitude. On the other hand, we must clearly differentiate the essence from the dross while critically and analytically transforming and using those quintessential things which accord with our national conditions. We cannot adopt nihilist methods. The experiences of history have shown that really seeking truth from facts and truly carrying out concrete analysis in regard to contemporary Western philosophy are extremely difficult to achieve. The task which lies before us at present is, on the basis of further mastering materials first-hand, to better use the Marxist stand, viewpoint, and methods to carry out deeper research, conduct scientific assessments, and correctly introduce contemporary Western philosophical thought, so as to raise our research to a new level.

I

Contemporary Western philosophy and Marxist philosophy have clear differences and points of antithesis. These differences and points of antithesis can be looked at from three angles: form, content, and nature.

In terms of form, there are many types of contemporary Western philosophy and a great number of schools. They are of dazzling diversity and variety. Existentialists believe that there are as many types of existentialism as there are existentialists. Also, in other schools one will not find two philosophers who hold completely identical views. Many contemporary Western

philosophical schools gain considerable fame when first established, but then quickly return to relative obscurity. On the Western philosophical stage, they replace one another, as if on a merry-go-round. This diversity and variety is a major characteristic, in terms of form, of contemporary Western philosophy. However, in essence, this is not an indication of the richness and strength of contemporary Western philosophy, but clear proof that it lacks a real scientific world view and methodology and therefore lacks the power to renew itself and lacks vitality. In contrast to this, Marxist philosophy is celebrated for its unity and stability. This demonstrates that it is the result of 2,500 years of philosophical development and the product of revolutionary changes in the history of philosophy. It is a summary of the laws of the development of nature, society, and man's thought, and has matured to where it can unify man's ideas. As a real scientific world view and methodology, Marxist philosophy has incomparable strength to continually renewing itself. It is able to develop in the wake of the development of practice and progress following the advance of society. It is thus able to eliminate various types of erroneous tendencies which tarnish it. Western philosophers often accuse Marxism of being "stereotyped," of "everyone having the same face." If this refers to the basic principle of the Marxist philosophy to which we adhere, then it should be strongly and justly pointed out that the basic principle of Marxist philosophy is indisputable, that it is grasped and adhered to by hundreds of millions of the masses, and that it has become their guide to action. What is wrong with such unity? This is precisely what contemporary Western philosophy has been unable to achieve.

In terms of contents contemporary Western philosophy mainly involves questions of science and questions of man. It is these two great questions which have produced the concurrent existence of the two great ideological streams in contemporary Western philosophy--scientism and humanism. The ideological stream of scientism was established through Comte's positivism and was inherited and developed through Mach's empirio-criticism, logical positivism, critical rationalism, scientific philosophical historicalism, and such schools. The humanist stream was established through the voluntarism of Schopenhauer, Kierkegaard and Nietzsche and was inherited and developed by life philosophy, phenomenology, existentialism, the Frankfurt school, and other schools. The creation of these two streams was related to the situation whereby, among the bourgeoisie, rationalism and humanitarianism were being separated. The two of these, as weapons of antifeudalism, were once unified. The famous remark "knowledge is strength" showed a stress being placed on reason and science; the principle of "freedom, egalitarianism, and fraternity" showed a stress placed on humanitarianism and human rights. However, harsh reality later showed that, under a capitalist system, the progress of science and the use of machines and new technologies could not bring universal "freedom, egalitarianism, and fraternity." Rather, they brought a serious social crisis. At the same time, both the development of science and man's social life raised a great number of questions requiring answers. Thus, rationalism on the one hand tended more and more to put the question relating to man outside the limits of science, and on the other hand, underwent changes itself. From an abstract, ideologically discriminating rationalism, it changed to a concrete positivist rationalism. Along with

this, humanitarianism took on an increasingly antirationalist color. It denounced the humanitarianism of classical rationalism as sham humanitarianism and advertised itself as a "new humanitarianism" which was capable of responding to man's original innate nature. In this way, at the end of the last century there was a division between two major ideological streams. The two world wars of this century which brought such great calamities to man, and the third scientific and technological revolution, which occurred in the West in the 1950's, also gave motivating power to the spread of the two ideological streams of scientism and humanitarianism. As opposed to this, Marxist philosophy uses the universal laws of nature, society, and thought as its targets and contents. In its correct epitomizing and summing up of natural science and social science knowledge, it has never set the questions of science against the questions of man. Thus, in this respect, it has never had the problem of two concurrent ideological streams set against one another. Rather, it has posed the question of how scientific and technological progress can help in raising the levels of the material and cultural levels of the people.

Essentially, contemporary Western philosophy, regardless of whether it is the scientism stream or the humanist stream, does not in the end overcome the limits of idealism. Although in regard to the basic questions of philosophy, the two streams have different views, in their final answers they do not take an objective idealist stand, but rather a subjective idealist stand. In general, in contemporary Western philosophy, the objective idealist school has clear superiorities. Of course, contemporary Western philosophy has a few materialist tendencies and factors, but these are unable to change the above situation. As opposed to this, Marxist philosophy is dialectical materialism and historical materialism. As compared with contemporary Western philosophy, it really has a basically opposite world view and methodology.

II

As contemporary Western philosophy and Marxist philosophy are opposed, why must we still study contemporary Western philosophy? This is a question to which people are paying great attention. Some of our comrades are worried to a degree that the study of contemporary Western philosophy will jostle the Marxist philosophical front and that this will not be beneficial to the development of Marxist philosophy. Some comrades, although they are not worried on that account, are still not too sure what necessity there is in studying contemporary Western philosophy.

If we wish to decide on the historical position of contemporary Western philosophy in the development of Western philosophy, we need to see where it differs from traditional philosophy which contained both ancient and modern philosophy. The differences can be looked at from two angles: First, from what it has inherited from traditional philosophy and what it has discarded. Seen from this angle, we should truly recognize that modern Western philosophy, in terms of its main stream, has discarded the materialist line of traditional philosophy and has inherited, in different forms, the idealist line of traditional philosophy. It is precisely in this sense that we say that contemporary Western philosophy is generally and basically erroneous and

one-sided. However, we cannot stop here. We must also look at the second angle, that is, what new questions and new concepts which differ from those of traditional philosophy have been given rise to by this philosophy, and whether these new questions and new concepts have any common ground with the direction of the development of modern science and the civilization of mankind. From this angle, we must also recognize that contemporary Western philosophy has a partial rationality. This is because if it raises new questions which are consistent with the development of modern science and of the civilization of mankind, even if they are not resolved entirely correctly, or even if they are resolved entirely incorrectly, they will still have value in understanding. In the same way, if new concepts which are consistent with the development of modern science and of the civilization of mankind are put forward, even if they are not precisely expressed or if the proof is not full or is even erroneous, they will still have inspirational significance. Such new questions and new concepts are, in the end, the result of mankind's serious exploration of thought, and are not pure nonsense. The founders of Marxism, in regard to the classical German philosophers from Kant to Hegel, placed stress on the "rational core," and did not just point out their mistakes or even absurd philosophical conclusions. Of course, we cannot place on a par contemporary Western philosophy and the classical German philosophies which were one of the sources of Marxism. However, likewise, today we cannot just pay attention to the basic mistakes of contemporary Western philosophy and ignore its partial rationality.

Following the development of science and society, contemporary Western philosophy has indeed put forward a series of new questions and new concepts. Thus, in regard to the targets and methods of philosophy, in the relationship between philosophy and science and in the idea of philosophy occupying a leading position, there have appeared ideas which differ greatly from the ideas of traditional philosophy.

In terms of the target of philosophy, the ancient Greeks and Romans mainly studied ontological questions. Modern philosophy, established by Descartes, mainly studied epistemological questions, while contemporary philosophy mainly studies methodological questions. This change in the target of philosophy reflects a gradual deepening of man's understanding. From the past, when they mainly explored objects, there was a progression to the modern period, when they mainly explored the relationship between subjects and objects, and then a further progression to the contemporary period where stress is placed on exploring internal mechanisms of the actions of subjective understanding and the concrete relationship between understanding and its linguistic manifestations. Because of the negative social effects produced by the development of industry and science and technology in capitalist society (men becoming the slaves of machines and so on) and because of the serious disasters brought on man by the two world wars, contemporary Western philosophy pays much attention to the significance of man's being, man's value and dignity, man's sense of responsibility, and man's freedom, to the harm brought on man by social and technological development, and so on. While exploration of these questions has been unable to overcome the narrow bounds imposed by bourgeois ideology and the protection of the capitalist system, we cannot deny that consciously or unconsciously it reflects the deep

contradictions in contemporary Western society and its economic, spiritual, and various other social crises. These contain the harsh unmasking and a strong criticism of the problems of contemporary capitalist society.

In terms of philosophical methods, ancient philosophy generally used direct perception in the observance of objects. Engels referred to this method as "innate, natural philosophical intuition" ("Selected Works of Marx and Engels," Vol 3, p 444) or referred to it as the "direct intuition" of the ancient Greeks. (Ibid., p 468) Modern philosophy, in studying the relationship between subject and object, mainly used the psychological method, that is, the method of deduction, with the precondition that spiritual understanding is unverifiably self-evident. "I think, therefore I am," "existence is awareness" and such propositions are manifestations of this method. Contemporary Western philosophy, in exploring the activities of subjective understanding and the relationship between understanding and its linguistic manifestations, mainly using an analytical approach--logical analysis, semantic analysis, operational analysis, structural analysis, value analysis, and so on. The American philosopher White in his 1955 book "The Age of Analysis" saw analysis as an "urgent matter of the 20th century" and "this century's most powerful trend." Contemporary Western philosophers strongly believe that "everything can be analyzed." As to the method of analysis, although there are many methods, the common demand is to break down the complex into the simple, analyze the hazy into the clear, analyze the abstract into the concrete, and analyze the general into the specific. The method which is most typical and which has the greatest influence is logical analysis. Logical analysis refers to the application of the results of modern mathematical logic so as to be able to analyze those matters which elicit skepticism or which already contain questions, into matters which do not elicit skepticism or which are self-evident. Russell's "Theory of Symbols" is seen in the West as the model of logic. Compared to the psychological method, this method has the advantage of being able to avoid the divergences of meaning and the disorder in concepts which were produced through the influence of psychological factors. Thus, in one respect this accords with the demands of the development of modern science.

As to the relationship between philosophy and science, the ancient philosophies were all-embracing, becoming a generalism for science, or "the science of sciences." Some people call this relationship "everything within philosophy." With the arrival of modern philosophy, the concrete sciences were successively separated from the embrace of philosophy and became independent sciences. Some people call this relationship "everything outside philosophy." Contemporary Western philosophy differs from both of the above. It believes that philosophy should serve science and should play a role as a servant of science, rather than the role of "empress of science." It believes that there is a need to study those concrete empirical questions of science and that the abstract and speculative metaphysical questions should not be studied. Some people call this relationship "philosophy within everything." Here, the negation of the special nature of philosophy and the tendency to mix philosophy with concrete sciences is wrong. However, it does manifest efforts made in exploring the relationship between philosophy and concrete sciences.

The above changes in the philosophical views of contemporary Western philosophy were followed by changes in the domination of philosophical concepts. If we say that the concepts which occupied the dominant position in traditional philosophy were absolute, inevitable, universal, abstract, quintessential, and fixed, then we can say that the concepts which occupy the guiding position in contemporary Western philosophy are relative, possible, particular, specific, and probable ("vague"). If we say that what traditional philosophy put in the prime position was things, that is the objects themselves, then what contemporary Western philosophy puts in the prime position is the relationship between things and the significance and value of the object. In the changes in the dominant concepts of contemporary Western philosophy, because a dialectical viewpoint of antithetical unity is lacking, often there is a leap from one extreme to another. For example, contemporary Western philosophy only recognizes relativity and basically refutes absoluteness. However, relativity in the end is an important aspect of and link in man's consciousness. Thus, the deep research from various angles into relativity by contemporary Western philosophy is, in the end, beneficial to the overall understanding of the dialectical relationship between absoluteness and relativity. In traditional philosophy and traditional natural sciences, absolute concepts occupied the dominant position. Philosophers put their efforts into seeking an absolute basis for being and an absolute standard for truth, while scientists made efforts to find absolute laws of nature. Absolute concepts reached their highest point primarily in Newton's mechanics. Newton used absolute things, absolute time and space, and absolute mechanical laws to sketch the universal prospects of mechanics. Absolute concepts reached their apogee in Hegel's philosophy of absolute idealism. Hegel used absolute concepts to form a speculative system of absolute truth. Although in both ancient and modern philosophy there have been those who advocated relativist skepticism, in the end none of them has been able to break through the dictatorial theory of absolutism. In 1905, Einstein's special theory of relativity challenged Newtonian mechanics. Following this, "everything was relative" and relativity became the dominant concept ingrained in contemporary Western philosophy. It is no wonder that the American philosophy professor, Binkley, in his 1969 book "The Conflict of Ideals" called the 20th century "the age of relativism." In philosophy, all sorts of relative concepts are in fact reflections of relative concepts in modern natural sciences, and the partial rationality they contain cannot be ignored.

It is very clear that the changes in the targets and methods of contemporary Western philosophy in its relationship with science and in its dominant concepts are, to various degrees, reflections of deepening understanding, increasing comprehension, and the raising of the ideological level. It can be said that what is manifested by this partial rationality is a progressive change which has promoted the development of Western philosophy. In fact, contemporary Western philosophy's opposition to Hegel's speculative system of absolute truth, which had already obstructed the further development of science and philosophy, accords with the demands of scientific progress and philosophical innovation. However, it unanalytically totally negates Hegel bringing a great amount of one-sidedness which has produced many philosophical errors.

From this it can be seen that correctly understanding and grasping the position of contemporary Western philosophy the development of Western philosophy is of key importance in our looking at Western philosophy in a seek-truth-from-facts way. In this process of understanding, the key to an overall and impartial assessment of contemporary Western philosophy lies in correctly using the dialectical methods of Marxism. That is to say, on the one hand we must recognize that in terms of major currents, contemporary Western philosophy is retrogression compared with traditional philosophy, especially compared with classical German philosophy, because it discards the materialist line of traditional philosophy and the dialectical ideology of the classical German philosophers. On the other hand, we must recognize that, following the development of modern science and the changes in Western society and the inevitable creation of new situations and new problems, Western philosophers have produced some rational elements in exploring these situations and problems. This is a progressive aspect of contemporary Western philosophy as compared to traditional philosophy and is something which Marxism should use for reference. This can be said to be an overall and fair appraisal of contemporary Western philosophy.

III

The study of contemporary Western philosophy also has positive and negative enlightening roles in adhering to and developing Marxism in the new historical period.

The enlightening role in the negative aspect is that it reveals to us mistaken things or things which are not entirely correct. Specifically, its functions can be outlined as follows:

1. In studying contemporary Western philosophy, we can effectively raise our abilities in analytical criticism. In contemporary Western philosophy, skewed philosophical conclusions are often mixed up with concrete scientific results. For example, analytical philosophy contains many of the results of mathematical logic. Erroneous ideas also often contain some rational elements. For example, the thesis of the famous contemporary Western philosopher and sociologist Max Weber that religion and other noneconomic factors are the determining factors in social development is undoubtedly erroneous, but the stressing of noneconomic factors is reasonable. A work will also have a different significance when looked at from different angles. For example, Wittgenstein's "Tractatus Logico-Philosophicus" has significance as a work of logic, much more so than as a work of philosophy. In addition, different aspects of a philosopher can have different significance. For example, Popper's philosophy of science, as a link in the transition from logic to historicism, played a role in the development of Western scientific philosophy. However, Popper's social philosophy negated the idea of history developing according to a pattern. This was a question which Marxism had resolved very early on and thus in some respects, on the theoretical level, he was turning the clock back. All situations of this type require concrete analysis. If we truly act in this way, then our abilities at carrying out Marxist analytical criticism will be improved. If we are indiscriminate when negating something erroneous, and if we negate the good things it contains,

then we will be throwing the baby out with the bath water and it will show that we have no abilities in analytical criticism.

2. The study of contemporary Western philosophy can help us sum up and absorb the lessons of experience in terms of thought. Contemporary Western philosophy undoubtedly contains many aspects in which wrong steps have been taken and where walls have been run into. If we do not just point out the mistakes, but show the cause, development, and effects of the mistakes, then we will be accumulating useful information. At the beginning of this century, philosophers compared the swift progress of natural science in the 200-plus years since Newton with the stagnation of philosophy in the 2,500 years since ancient Greece (during which no questions appear to have been resolved). They felt that the reason for this lay in that scientific theory was precise and dependable, scientific methods could be tested by using common experimental measures, and scientific language was mutually interchangeable, while philosophical theory was abstract, philosophical methods could not be tested, and philosophical languages could not be interchanged or be mutually comprehensible. Thus, if philosophy was to develop, it had to use the blueprint of natural sciences. These people put much effort into various avenues to make philosophy more like mathematical logic and more like the natural sciences. They wished to create an ideal artificial language, but none of their actions achieved success on the philosophical plane. This was because, while in stressing philosophy it is admittedly correct to absorb nutrition from the natural sciences, philosophy and the natural sciences have their own characteristics and they cannot replace one another. This lesson is worth serious contemplation by those cadres who today are trying to use the "three theories" (system theory, information theory, and control theory) to replace or "transform" Marxist philosophy.

3. The study of contemporary Western philosophy is able to help us more clearly understand our strong points and our inadequacies. After World War II, both of the ideological streams had a marked tendency for some of their schools to "draw close to" Marxism to different degrees. They tried to "combine" Western philosophy and Marxist philosophy. There arose a number of types of Western Marxism under various names: "existential Marxism," "Freudian Marxism," "structuralist Marxism," and so on. These facts tell us that we must firmly delineate the limits of Marxism and show us that Marxist philosophy has a vast appeal. If it did not, then it is hard to imagine how an existentialist such as Sartre (regardless of his motive) could say: "I see Marxism as the unsurpassed philosophy of our age." Is this point not worthy of the attention and study of those comrades who do not see the true features of Lu Shan, who looked down upon Marxist philosophy and who blindly esteemed Western philosophy? At the same time, in contemporary Western philosophy, it often occurs that the two ideological streams wrangle, with each stream being correct in one respect and wrong in another. The correct ideas of each of the sides are often things which Marxist philosophy has already clarified. The relationship between logic and history and between quantitative changes and qualitative changes in the development of science, and the relationships between philosophy and science and between philosophy and language in philosophical viewpoints are examples of this. In addition, the study of contemporary Western philosophy also allows us to discover some matters on

which there is insufficient proof. For example, by studying Paiget's "Genetic Epistemology" we come to know that the use of Pavlov's reaction--stimulation formula to explain the mechanism of the theory of dynamic reaction--is too simple.

We often say: By comparing, we can differentiate, and by differentiation and struggle there is development. This is not an empty statement, but one rich in content. It also allows us to concisely explain how the negative enlivening roles have a function in promoting the enrichment and developments of Marxism.

What is referred to as the positive enlightening role indicates those constructive things which provide us with enlightenment.

First, the exploration of many new areas by contemporary Western philosophy attracts our attention to these areas. For example, in order to study the relationship between understanding and its linguistic manifestations, and study the possibilities and mechanisms of man's ideological contacts, contemporary Western philosophy has done deep research on the meaning, use, and forms of language, and has really created new sciences such as semantics, semiotics, and morphology, and has put forward many new questions such as: What is the smallest unit of meaning? Is it words or linguistic action? In order to explore the patterns of scientific research, contemporary Western philosophy has put forward all sorts of scientific development models. The "gradual progression" model of logical positivism, the "continued revolution" model of critical rationalism, Cohen's model of "alternation of conventional science and scientific revolution," La-ka-tuo-si's [2139 0595 2094 2448] model of "scientific research program methodology," and so on. Thus, by studying contemporary Western philosophy, we will be able to use a Marxist viewpoint in going deep into these fields. This will assist us in strengthening our research into those fields which our nation's philosophy has not yet researched or not yet researched deeply. Second, the guiding concepts in contemporary Western philosophy are very different from those of traditional philosophy. This change draws our attention and research to those fields, such as relative concepts, which we do know and to which we have not paid sufficient attention. Thereby we can gain a new and more concrete understanding of the overall dialectic of the absolute and the relative. In addition, from the criticism of Western society by contemporary Western philosophical schools, such as the Frankfurt school, we can obtain valuable materials. Contemporary Western philosophy's refutation and querying of earlier philosophies, such as opposition to speculative metaphysics, as well as the mutual censuring of each other by contemporary Western philosophers, such as Qine's denunciation of the two creeds of economism, also give us beneficial enlightenment.

In brief, under the guidance of a Marxist viewpoint, developing research into contemporary Western philosophy can really play a positive role in regard to Marxism. Not only this, but it is completely logical to say that the more deeply this research is carried out, the greater will be the force promoting Marxism. On the other hand, if under conditions of a loosening up not to conduct research, and contemporary Western philosophy is allowed to occupy

the market, it will lead to a real shrinkage of the Marxist philosophical front and an expansion of the negative influences of contemporary Western philosophy. This will also result in a major obstruction to the enrichment and development of Marxist philosophy. The worries of those who think that the study of Western philosophy will be disadvantageous to Marxist philosophy are unnecessary.

The foothold in developing Marxist philosophy is our nation's great socialist practice. At the same time, Marxist philosophy has never been divorced from the great road of world civilization. In an important respect, the study of contemporary Western philosophy can make its own contribution in helping our nation's philosophy become a scientific world view and methodology which accords with the demands of the four modernizations.

IV

We are now able to quite clearly understand why totally negating or totally affirming contemporary Western philosophy both violates the seeking of truth from facts and concrete analysis. Thus, both are wrong. Total negation indicates that one only sees the overall and basic errors of contemporary Western philosophy and denies its partial rationality. Such a view only sees where it differs from and has points of antithesis with Marxism, while denying its negative and positive enlightening roles in respect of Marxist philosophy. It only sees that this philosophy can produce negative and secondary effects and completely ignores its possible positive roles. Total affirmation overstates the partial rationality and overstates its enlightening role, to the extent of artificially extolling contemporary Western philosophy as more brilliant than Marxist philosophy. It denies the basic errors of contemporary Western philosophy, denies the differences and points of antithesis between it and Marxism, and denies the negative influences which it can produce. It can be seen that complete negation or complete affirmation are subjective biased views originating at opposite poles. Seeking truth from facts and concrete analysis require that we view the dual nature of contemporary Western philosophy accurately and in an overall way.

We should recognize that for quite a long period in the past we adopted an extreme view of completely negating contemporary Western philosophy. The main reason for this situation was the influence of "leftist" guiding ideology. After the 3d Plenary Session of the 11th CPC Central Committee, following the revival and development of the party's line of seeking truth from facts, we developed the study of contemporary Western philosophy and, like the development of research into other philosophical and social sciences, it had a good political environment and initial results were achieved. Following the implementation of the policy of opening up, the number of people coming into contact with contemporary Western philosophy and related works had gradually grown. Thus, many people have already recognized that the complete negation of contemporary Western philosophy is incorrect. However, some comrades, especially younger comrades, have gone to the other extreme and completely affirmed contemporary Western philosophy. They have also taken an aversion to varying degrees to Marxism, as the complete negation of contemporary Western philosophy in the past was carried out under the name of

Marxism. They do not recognize that at that time Marxism itself was being trampled upon. In opposing complete negation and complete affirmation, it is important that from beginning to end attention be paid to using a Marxist viewpoint in looking at contemporary Western philosophy. If we are to really and effectively oppose complete negation and complete affirmation, we must from beginning to end adhere to the correct viewpoint of seeking truth from facts and carrying out concrete analysis. We certainly cannot go from one extreme to another.

In adhering to the use of a Marxist viewpoint in studying contemporary Western philosophy, we must not only look at contemporary Western philosophy in a correct way, but must also look correctly at Marxist philosophy itself. In this respect, the key lies in handling well the relationship between adherence and development. What we refer to as adherence is adherence to the basic principles and basic viewpoints of Marxist philosophy such as the materialist viewpoint, the dialectical viewpoint, the viewpoint of practice, the viewpoint of dynamic reaction, and so on. The reason these must be adhered to is that these viewpoints can never become obsolete. Future social practice can only further enrich, deepen, and prove them, and will not be able to overturn them. What is referred to as development is the use of basic Marxist principles to resolve the new situation and new problems which face us at present both internationally and domestically. At the same time, it includes new results and new materials based on natural sciences and social sciences, the epitomizing of new principles and new categories, new explanations of existing principles and the correction of outmoded manifestations of such principles, deepening and enriching existing principles, forming more well-organized systems, and so on. Therefore, development is many-sided and is also very difficult. It requires a long period of effort and it is not possible just to rely on the strength of the philosophical circles. We need to rely on the efforts of all intellectual circles. At the same time, development is carried out in society and philosophical development also requires a good social environment. In this way adherence and development are complementary and can promote each other. Only by having a base of adherence can development be real development. Only when there is the direction of development can adherence be real adherence. In the relationship between adherence and development it is necessary to oppose two types of erroneous tendency. The first is only adhering without wishing to develop. This type of adherence which does not desire development will inevitably lead to Marxist philosophy becoming outdated, ossified, and behind the times. The other tendency is the opposite one, only wishing to develop without wanting to adhere. This type of development without adherence will inevitably lead to necessary replacement, with the result that Marxist philosophy will not be Marxist philosophy. These two tendencies will be both harmful to Marxist philosophy and harmful to correctly looking at contemporary Western philosophy. Only by handling well the relationship between adherence and development will we be able to use the spirit of Marxism in looking at Marxist philosophy itself. Again, only then will we be able to look at contemporary Western philosophy in a seek-truth-from-facts and concretely analytical way.

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THE STATUS AND ROLES OF DUNHUANG STUDIES AND TURPAN STUDIES IN THE HISTORY
OF CHINESE CULTURE

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[Article by Ji Xianlin [1323 5029 2651]]

[Text] The term Dunhuang studies was first used by Chen Yinke [7115 1377 1870] in the preface he wrote for Chen Yuan's [7115 0997] book "Remnants of the Dunhuang Robbery." In this, he noted: "Those who engage in Dunhuang studies have formed a new academic stream in today's world. In the 20 years since Dunhuang's discovery, scholars from various countries, ranging from Japan in the East to England in the West, have successively made their contributions to this field of study." The use of the term has continued since then. All of the documents discovered in the Dunhuang caves and everything relating to the murals and carvings in the Dunhuang grottoes are the targets of Dunhuang studies research. Thus, this is a comprehensive field of study.

The term Turpan studies is a new term. At the beginning of this century, a number of Eastern and Western so-called explorers excavated a large number of documents and artifacts at Turpan in Xinjiang. Scholars of many countries have engaged in the study of these and have obtained outstanding results. This research has been called Turpan studies and it is also a comprehensive field of study.

The reason I have chosen to introduce Dunhuang studies and Turpan studies together is that both Dunhuang and Turpan were places of importance on the Silk Road. As the Silk Road was a major artery in East-West cultural inter-flow, research into this aspect has become one of the disciplines attracting the attention of people around the world, and as such as of great importance. Like a red thread, this great artery linked up many places such as Kucha, Khotan and Charlik with places outside our nation's borders, showing how the people of our nation's northwest came into contact with foreign merchants, monks, foreign envoys and so on, and also how Eastern and Western culture influenced and enriched each other.

Attaching importance to the study of the culture of our nation's northwest had already become a historical trend by the latter part of the Qing Dynasty. If we were to deepen research into the culture and history of the northwest there had to be new discoveries and new materials. Wang Guowei [3769 0948

4850] said: "From ancient times, the opening of new fields of study has generally been prompted by new discoveries." (NUSHIDA XUESHU JIKAN [ACADEMIC JOURNAL OF WOMEN'S NORMAL UNIVERSITY], Vol 1, No 4) Chen Yinke also said: "The sciences of each new age must have their own new materials and new problems." (Foreword to "Remnants of the Dunhuang Robbery") The documents and artifacts discovered at Dunhuang and Turpan can be said to be the "new discoveries" and "new materials" referred to by Wang Guowei and Chen Yinke. In academic research, these discoveries are of great importance as it was these which gave rise to Dunhuang studies and Turpan studies. In 70 to 80 years of development, these new academic fields have seen daily increasing vigor and greater magnificence, and have influence in many areas. Today, regardless of whether we are speaking in terms of our nation or abroad, they have become truly illustrious fields of study. In many countries, a large number of monographs on these fields are published each year, while many universities abroad have established specialized courses in these two fields. The contents of Dunhuang studies and Turpan studies are extremely rich, and it could be said, numerous and complicated. It is very difficult to sum up their position and role in Chinese cultural history and thus we must talk about them from a number of angles.

1. The value in the study of Chinese history and geography. The new historical materials discovered in Dunhuang and Turpan (as well as in other areas of Xinjiang) have provided increased luster to China's rich historical resources and have filled in many of the blanks which before could not even be guessed at. For example, in the Tang Dynasty, the Tibetans took advantage of the An Shi rebellion to occupy Dunhuang. They remained there until the second year of the Da Zhong reign (848 A.D.) when Zhang Yichao drove the Tibetan garrison general out. When he gave his allegiance to the Tang, he was conferred with the title "Military Commander Who Has Returned To Right." Later, the Zhang's "Returned-to-Right" army and the Cao's "Returned-to-Right" army continued to rule the Dunhuang area, probably right up until 1036 when the Western Xia took Dunhuang. The Zhang and Cao families thus ruled Dunhuang for about 200 years. This period of history involved the relationship between the nationalities within China and cultural interflow between these nationalities, but none of these details have been chronicled before. Only with the assistance of the Dunhuang manuscripts were we able to clarify these matters. These artifacts and documents are also of assistance to us in understanding the political, economic, and social systems of the Tang Dynasty. The documents relating to the land system allow us to understand the details of the equal fields system. A number of population registers, taxation records, contracts, and local official's dispatches were discovered, assisting us in understanding the labor corvee and military service systems. The many documents relating to Tang laws discovered have provided a means by which to compare and confirm those Tang laws of which we already had knowledge. The water department records also recorded irrigation management rules. Many other documents have told us of the beacon system, the credit system, the lineage system, the government official system and the people's grain stores during the Tang Dynasty. Further, many social science materials have allowed us to understand the prices of goods, the value of labor and the lives of monks and nuns during the Tang Dynasty as well as the people's clothing, food, entertainment music and celebratory feasts, weddings, funerals and other such customs.

China's study of geography has a very long history. The Tang Dynasty was a period when geographical knowledge was becoming daily more detailed and in which the number of geographical works increased greatly. These phenomena were reflected in the books stored in the Dunhuang caves. Within the caves were found many geographical works which had been considered lost, for example "A Cartographic Account of Shazhou," "A Cartographic Account of Xinzhou," "An Account of the Ten Circuits of the Zhen Yuan Reign," "A Concise Account of the Names of Mountains and Rivers in All Circuits," "A Geographical Gazetteer of Shazhou and Yizhou," "An Account of Dunhuang," "The Situation of Xitian Region," "The Geographical Situation of Shouchang County," and "The Geographical Situation of Shazhou City." Even an incomplete manuscript of the famous "Great Tang Account of the Western Regions" by Xuan Zhuang was found stored in the caves. All of these geographical works are very important in the study of China's medieval historical geography.

2. Their value in the study of China's literature and art. The books discovered in the Dunhuang caves have had a greater influence on the study of Chinese literature than in any other aspect. First, there was the discovery of the "bian wen." What is referred to as "bian wen" was a type of popular literary form which combined rhymed verse and prose. Some people regard these as popular tales (there has been no consensus reached among Chinese or foreign scholars as to why these are called "bian wen"). The contents of these bian wen can be generally divided into two categories: One category is Buddhist stories, such as "Vanquishing the Demons" and "Hell." Many of those found were manuscript copies. The other category is stories from Chinese history, such as "Shun's Filial Piety" and "Wang Zhao Jun." This new literary form was actually the precursor of the popular story-telling literary form of the Song Dynasty but prior to the Dunhuang discoveries, we had not the slightest knowledge of it. Next, there was poetry. The "Song of a Qin Lady" by the celebrated literary figure Wei Zhuang, was not included in his collected works, but was discovered in the Dunhuang caves. Contained within the poetry found at Dunhuang were many historical details relating to peasant uprisings in the late Tang Dynasty, and they are of great assistance in the study of Tang history and literature. Also discovered and included within the category of popular literature were poetry, songs, vulgar ballads, novels, and so on. The lengthy narrative ballads "Dong Yong's Filial Actions," "Da Han San Nian Ji Bu Ma Zhen Ci Wen" [1129 3352 0005 1628 1323 1580 5006 7109 6101 2429] as well as "Yanzi's Poem," "Han Peng's Poem" and so on were all newly discovered materials of literary history.

Speaking of popular literature, this subject has not, in the past, received much attention from those who study Chinese literature, even to the extent of being placed outside literary history. In terms of poems and prose, our ancestors clearly realized splendid achievements and while these works cannot represent the entirety of Chinese literary history, much orthodox literature in fact developed from popular literature. The discoveries in the Dunhuang caves allow us to understand this point more clearly.

In terms of art, including murals, paintings on silk, carving, calligraphy, grotto architecture, music, dance and so on, the discoveries were rich in contents and vast in number. Materials from the Six Dynasties right up until

the Song and Yuan Dynasties were discovered there. These discoveries are of great significance in the study of Chinese art and in Chinese art history. The murals in the Dunhuang grottoes as well as murals discovered at Turpan and in other parts of Xinjiang are really a treat for the eyes, each as beautiful as the others. As to their subjects, Buddhist stories dominate, but there are also secular depictions, such as paintings of Zhang Yichao going on tour. There are also many landscapes. In these pictures, many different sorts of people and activities are depicted. There is fruit-picking, tree-felling, hunting, tilling, fish-netting, water-drawing, boat-handling, animals locking horns, archery practice, pagoda repairing, cleaning, house-building, the carrying of sedan-chairs, trade, drawing things with ropes, standing on guard, harvesting, winnowing grain, bathing, swimming, slaughter-houses, milking cows, vehicles, horses, drivers, horsemen, knights, warriors, peasants, traders, ordinary people, as well as all sorts of plants and animals. From these we can see how people lived in those days. The sculpture found in the grottoes at Dunhuang and Turpan showed the influence of Gandaharan art. Also, in the murals, various musical and dancing scenes are depicted. Those showing the playing of the pipa are especially famous. In addition, many musical instruments, musical scores, and dance scores were found.

3. Their value in the study of linguistics and phonology. In the Dunhuang caves there were preserved a number of ancient fragmentary manuscripts related to Chinese linguistics and phonology, including the "Fine Selection of Character Treasures," "A Collection of Major Names in Everyday Life" and "The Thousand-Character Text" and so on. In Turpan, an incomplete fragmentary scroll of "Hastily Completed Work" by Shi You of the Western Han Dynasty was discovered. In the Dunhuang scrolls, one often comes across popular characters and popular language, the importance of which in the study of the development and evolution of Chinese characters and language cannot be equalled by any other documents. Some phonological and word-rhyme books, such as the incomplete scroll of Xuan Ying and Hui Lin's "A Phonology of the Classics," and Lu Fayan's "A Sequence of Rhymed Phonology" are of great value.

At the Dunhuang grottoes a number of minority nationality language scrolls were also discovered. Among these there were scrolls in ancient Tibetan, Sogdian, the language of the Western Xia, Khotan script, Kuchan script and Uygur. The scrolls in ancient Tibetan not only contained Tibetan materials but also ancient works which were able to supplement the Han language "Book of Documents." In the ancient nationality languages scrolls discovered in Xinjiang, there were also those in Uygur script, Tukhara script (A-Karashahr script, B-Kucha script), Sogdian script and Khotan script. The fragmentary Uygur script scrolls contain much material on political, economic, religious, philosophical, literature and art matters. Khotan script and Sogdian script are both part of the Iranian family of languages. Today, on the Pamir Plateau in our nation's Xinjiang there are still nationalities who speak languages which are part of the Iranian family of languages. The value of the Tukhara script is even more outstanding. Its discovery provides new questions for Indo-European comparative linguistics and has prompted the development of this field. The "Drama of the Meeting of the Maitreyda Buddha" in Tukhara script (A-Karashahr script) which was discovered several years ago has, like the Uygur script copy, provided new topics for research in our nation's

literary history. Some of the nationality languages which no longer exist were completely unknown to us. It was only with the discovery of the Dunhuang and Turpan documents that they were again brought to light.

4. Their value in respect of the study of religious matters. Of primary importance is Buddhism. In the Tang Dynasty, Buddhism flourished in the Dunhuang region, monks and nuns constituted quite a proportion of the population and temples were numerous. The temples had their own independent economies and they had large numbers of workers. Some even provided high-interest loans. Of the books stored in the caves, Buddhist canons constituted about 95 percent. Many were manuscript copies with only a few being printed. Some even had colophons. There were some lost Buddhist scriptures, the translations of which differed from those which were previously known. The Buddhist scriptures found in the largest numbers were the "Lotus Sutra," the "Mahaprajnaparamita Sutra," the "Diamond Sutra," the "Nirvana Sutra" and the "Vimalakirti Sutra." These sutras were recited daily by the masses. These ancient printed and manuscript books have an obvious value in research into the editions of Buddhist scriptures. Also, in the caves there were discovered a large number of Daoist scriptures and canons such as "The Wonderful Scripture of the Spiritual Root of Great Abstrusiveness." Those which attracted the most attention were Lao Zi's "Dao De Jing," "Preface and Postscript to Lao Zi's Dao De Jing" and "Annotated Explanation of Lao Zi's Dao De Jing" which were annotated and explained by He Shanggong. In addition, there are also some materials showing that there was a struggle between Buddhism and Daoism. Confucian classics were found in large numbers. (Footnote 1) (Various dynasties had different ideas on whether Confucianism could be considered a religion. In the Tang Dynasty, the dynasty with which the Dunhuang scriptures were closely related, clearly some people considered Confucianism as a religion. For example, books such as "Excellent Words" by Liu Binke of the Tang Dynasty spoke of "three religions" of Confucianism, Buddhism and Daoism. Now, for the sake of convenience, it is discussed as a religion.) These included "The Canon of Filial Piety," a Northern Qi Dynasty manuscript of "The Zuo Commentary on the Spring and Autumn Annals" and Tang manuscript copies of the "Gu Liang Commentary on the Spring and Autumn Annals," "The Book of Documents" and "The Analects." These were all very valuable in carrying out textual criticism of ancient works. In addition, there were found a small number of Manichean and Zoroastrian scriptures which had been completely lost and which have attracted the interests of scholars both in China and abroad. They include some important works, discussing the spread of these religions in the Middle East and in our nation's Xinjiang and hinterland, and thus help to fill in many blanks in research into the history of religions.

5. Their value in studying ancient science and technology and other fields. Apart from materials on politics, economics and social situations, there were many others which related to science and technology. In the caves were found a fragmentary "Pharmacopoeia" and medical prescriptions. There were also books on astronomical calendrical calculation, such as a calendar which included 24 seasons and involved the sun, moon and five planets. From the paper used in the manuscript books found in the caves, we can see the development of ancient Chinese paper-making, paper-dyeing and printing. Our

nation was the first to discover paper-making and, while Shen Kuoxiang of the Northern Song Dynasty recorded details of movable type, in fact carved plate printing commenced in the latter part of the Tang Dynasty. In the Dunhuang caves, there was preserved a copy of the "Prajnaparamita Sutra" printed in the ninth year of the Xiantong reign in the Tang Dynasty (868 A.D.), which is the earliest clearly dated printed matter in the world. The degree of elegance and skill of the printing technology tells us that it had already seen about 100 years of development. The layout of China's ancient books developed from a scroll format to a book form. This particular evolutionary process can be seen from the Dunhuang documents. Bamboo slips, scrolls, hinged format and mounted format books were all found. Some of the manuscript books had red or black columns, and some books already had red and black annotations. From these, we can see what types of books there were in the Tang Dynasty. In addition, there were also some silks, weights and weapons, which vividly show us the level of production at that time.

6. Their value in studying the history of Chinese-foreign cultural interflow. The existence of the Dunhuang grottoes was actually a result of Chinese-foreign cultural interflow. If there had been no Chinese-foreign cultural interflow, there would have been no Dunhuang, and it would not have been a testimony to cultural interflow. Dunhuang, Turpan and other areas in Xinjiang were the passes for East-West cultural interflow. They lay along the Silk Road and the remnants of cultural interflow, such as the grottoes, ancient temples and ancient cities can be seen everywhere. In the styles of architecture, grotto art and sculpture and the murals, everywhere one can see the influence of foreign culture as well as the vestiges of cultural contact between China and foreign countries. In the Dunhuang caves, there was discovered the "Xin [1800] Sutra" in Sanskrit and in the Turpan region, a large number of manuscript Sanskrit Buddhist sutras were discovered, as well as Sanskrit literature. For example, there are the works of the great Buddhist poet Ma Ming [7456 7686] which had long been lost in India, and the discovery filled in a blank in the history of Indian Sanskrit literature. In the Mugao grotto murals, glass containers are shown. Some Sassanian Islamic artistic style, showing that Western Asian glass utensils had already entered China. Newly discovered silk products also have Iranian-style designs. These all show the mutual influences of Eastern and Western culture. Also discovered in the Dunhuang caves was the "Account of a Journey to the Five Indian Countries" by the Silla (now Korea) monk Hui Chao. He went by sea to India and later returned overland to China through Xinjiang. His work has received a great deal of attention by the scholars who study Chinese-Western cultural interflow. There are many travel accounts by Chinese and foreign monks. Some of those which had been lost were found in Dunhuang. I also wish to mention a fragmentary Dunhuang manuscript relating to Chinese-Indian technological interflow. (See "General Index to Remaining Dunhuang Books" published by Commercial Press in 1962, p 3303) This fragmentary manuscript has only nine lines of characters which related to the methods of planting sugar-cane and of sugar manufacture. While in the past some people had noted this manuscript, none have investigated it thoroughly. Actually, it is a very important document as it shows one aspect of the scientific and technological interflow between China and India.

We know that in the world there are only four cultures which have had a long history, vast geographical spread, formed their own system and have had great influence--the Chinese, Indian, Greek and Islamic cultures. There is no fifth. These four cultures converged in only one place, China's Dunhuang and Xinjiang region. There was no other place they converged. From the many aspects I have detailed above, we can see the convergence of various cultures and their mutual influences. Seen from the history of mankind's development, the converging of cultures is able to promote the development of all cultures involved, and can raise the level of their people's material and spiritual lives. Seen from the long-range development of mankind, research into cultural convergence has even greater significance. When all mankind enters the ideal society, will it not be difficult to avoid the convergence of the cultures created by all nationalities and all nations? At present, the place with the best conditions for studying the phenomenon and patterns of such cultural convergence is, it seems to me, Dunhuang and Xinjiang.

Above, I have briefly described the great significance of the artifacts and manuscripts discovered at Dunhuang and Turpan. All of the 492 diverse large and small caves of Dunhuang have their own historical treasures. That a very small cave containing over 40,000 precious books could be found in the vast deserts and ruins of Xinjiang is certainly startling and amazing. As Chinese, seeing this wealth of cultural treasures (this is only a small portion) and seeing that our forefathers in cultural creation could give and also "take" and finally create a culture as brilliant and magnificent as this, how can we not spontaneously feel a sense of national dignity! Today, as we stress the building of spiritual civilization, this is extremely important. The contents of the building of spiritual civilization are numerous, and education in patriotism is an important aspect of it. One of the important things which can engender a sense of patriotism is seeing the brilliant successes of one's nation in the past. Thus, as we engage in Dunhuang studies and Turpan studies, the significance lies not just in the academic field. It can also play an important role in inspiring patriotic feelings and in using the past to understand the present. I think that this idea will be agreed to by all the nationalities of the country.

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CSO: 4004/36

CHATTING ABOUT 'ASIAN CASCADE'

Beijing RED FLAG in Chinese No 3, 1 Feb 86 pp 33-37

[Literary commentary by Liu Baiyu [0491 4101 5038]; "Asian Cascade" was carried in SHI YUE, No 4, 1985]

[Text] I read "Asian Cascade" by the sea in the summer. Now the cold winds are blowing and the fallen leaves are being swept about, but this singularly magical work still flames in my heart. It is not easy to find a book which you cannot forget and which you want to read again. Of the works written by Zhu Chunyu [2612 2504 7183], "Green Shade in a Sea of Sand" and "Asian Cascade" both hold this attraction for me. I believe that these works show two different stages of the author on the literary road: If we say that "Green Shade" is like a fresh wind blowing into the open fields of the heart, then "Asian Cascade" forcefully and imposingly shakes people's souls. For Zhu Chunyu, "Asian Cascade" is a key step in terms of experience and maturity, not only on the literary level but also on a personal level. My general impression is that "Asian Cascade" is a work which condenses the great soul of the Chinese nation, and which is a brilliant star which has risen on the military literature front.

I

The first short section of "Asian Cascade" reads: "In the great land of Asia, this cascade has been blocked for many, many years...a cascade is not congealed mud and is not stagnant water."

This really deserves pondering and deep thought.

With outstanding ideas and artistic boldness, the author unfolds a vast scroll from the past to the present, from the dark to the light and from the sorrowful to the elated. The cascade of the Chinese nation, which has been blocked, finally flows again, falling, glinting with a dazzling brightness and providing a great momentum. The author, in a comment, reminds us "Not everything which flows like a cascade is water...." True, it is not water, it is people's destiny, the nation's destiny, the state's destiny and, it can even be said, it relates to mankind's destiny.

Literature mainly explains ideological intention through images. "Asian Cascade" is about the counterattack in self-defense on Vietnam, but the author does not stop at describing the fighting at close quarters on the battlefield. Rather, he gives the battle (that is, each of the people in the battle) a deeper meaning. Analyzed from this angle, the ancient spiritual strength of the entire Chinese nation is depicted in the Naxi nationality through Grandpa Mu Jiuxuan, while the modern spiritual strength of the entire Chinese nation is depicted in the No 6 Thunder and Lightning Observation Post through Tao Ran. The work thereby raises the war to a high level of noble morality. This new creation on the artistic front greatly enriches military literature. You cannot take the Naxi nationality song which winds in and out of the work as an ordinary ballad. No, from the start the author says: This is a song which praises sunshine, which praises love, which praises creation and which praises heroes. For a song such as this, "there is a need to use one's soul to listen. Can you hear the great pulse within the song? That is the sound of seeking, of ideals and of yearning, drumbeats which will not diminish, a clarion call which will be everlasting." "It has become a sacred, national and most basic psychological need." The No 6 Thunder and Lightning Observation Post takes the great breadth of mind of a nation and pushes it into the present. A modern woman throws herself into an arduous undertaking and explores the profound mysteries of nature "in order to create life and even to create the elements," "to resolve the enigma of thunder and lightning." There is no doubt that if we cut these two aspects apart and were to nakedly expose the contradiction occurring on the battlefield, the work would lack spirit and would be frail, weak, and feeble. The work "Asian Cascade" has opened a new road and stands by itself. It is precisely in this respect that the work has its strengths and surpasses others. The Naxi song and the exploration of the thunder and lightning post symbolizes the souls of the people on the battlefield. At the same time, does not this national spirit inhabit the bodies, minds and deep souls of men, and leap therefrom? When today we speak of national spirit, it is a spiritual strength formed through the combination of communist ideals and practice, and is also the spirit of the times of the four modernizations. In this sense, every fighter when engaged in a life-and-death battle, is an embodiment of this national spirit. The author puts each person (along with his sadness and joys) on the scales of national spirit and weighs and assesses them.

We have long held that in writing about war, we cannot just write about the course of struggle. Rather, we need to write about people, about people's innermost being, about people's destiny and about contradictions and the joys and sorrows of life. Thereby, it will be possible to explore the source and nature of revolutionary heroism. We also hold that in manifesting the Chinese nation's great soul, we should draw from artistic sources, the strengths of epics and tragedies, and create works which have great spiritual power. It is very clear that this breaks clear of the "leftist" model and the "theory of no conflict," liberates the mind and proceeds from living reality, thereby opening up a real, wide road of revolutionary realism.

"Asian Cascade," in its pulsing description of a nearby area, is imbued with a strong sense of history, of immediacy, and of human feelings. From this

concentrated artistry, we can observe the entirety of a great nation. In facing a great goal, it is seeking hope, ideals, and brightness. Of course, the war here is not only intimately related with this entirety. More importantly, the prominent and guiding position of war is thus raised. That is to say, in its significance and value, it is not a simple, dull repetition of the war, but a creation rich in noble ideas and artistic vitality. This is because only by having a contingent with the moral excellence of both the ancient nation and the modern nation can this become a heroic banner of justice and glory which waves about the battlefield.

II

The crux of a literary work is in its depiction of people and the issue is not only what to write, but how to write it. Successful literary works all portray people in the sharpness of contradictions. The characters in "Asian Cascade" are developed in the sharp contradictions between the upper and lower levels, one of which wishes to adhere to the operational plans already set and the other which wants to change these plans.

In the battle of Que Men Jing, the divisional commander, Gu Zhanjiang, ordered the 6th Company to thrust deep across the front. After battle was joined, facts showed that the divisional commander's decision was incorrect. The commander of the 6th Company, Chen Longhua, promptly and firmly decided to change the route and thereby victoriously completed the deep-thrust task. Gu Zhanjiang took the credit for the Que Men Jing victory, but he could not tolerate those actions which had been taken in contravention of his orders. Thus the whole of the 6th Company had to go without citation. This caused a commotion among the 6th Company and this was directly made known to the military region, because achieving merit and not being cited affected not only the honor of the soldiers, but also the affirmation or negation of the basic facts of the attainment of victory (including the sacrifice of blood and quite a few valuable lives). Thus, the wrangling between the two sides touched off a great disturbance. From the start, in handling the character of Gu Zhanjiang, the author has not followed the old road of exaggeratedly good people and bad people, and does not depict him as an out-and-out bad character because he stands on the wrong side of truth. He is a remarkable commander, not a schemer. Rather, his selfish desires dominated and, although he knew he was doing wrong, he was headstrong. It is because of such artistic representations that the innermost activities of the characters are so complex. In the wake of this subtle thread of contradictions, the circumstances of the surrounding characters also become more complex.

The author uses bold strokes to vividly depict the soldiers of the 6th Company. At the start, he depicts them as naked, holy angels washing in a cascade. This watercolor, which has a distinctive hue and which simply brims with the vitality of youth, is the author's ode of heartfelt love and esteem for the soldiers. Later, as the story slowly develops, there emerges a special sentiment in the specific environment. In the conflict which arises out of the main contradiction, each individual character also experiences his own conflict due to contradiction. What is worth noting is that, artistically, Zhu Chunyu on the one hand paints in thick strokes and on the other

hand draws with great precision. In depicting characters, he does not paint the contradictory conflicts openly. Rather, he ingeniously and in a thoroughgoing way picks details by which to manifest a touching sense of beauty in terms of human nature, human relationships, ethics and morality. He also shows the deep scars produced by disappointments in life both in the past and at present, and then uses these details to beat out a ringing sound from the souls of the characters. In this way, a soul-stirring reaction is evoked in each person's psychology and actions. From the multitude of complicated, confused things, there appears a blazing spirit of revolutionary heroism, producing a touching fascination, where the secret is: Who is going to open his heart to let you see in? Chen Longhua, commander of the 6th Company, has hidden in his heart the sad smile when his wife left, while on the firing line he displays the firm decisiveness of a commander. The empathy and affection between the deputy company commander, Jin Guoqing, and the village's female teacher, Peng Dai, as well as inducing the bursting forth of their youthful spirit, also causes them to forget our spirit of struggle. Gu Jincai, whose refusal to play up to those in power shows in his disposition of "defying superiors," still lets out an almighty howl which shatters heaven and shakes the earth when Fan Sanjin and Chen Longhua are killed. The commander, Xie Yubao, who sees even a guitar and talcum powder as foreign objects, still becomes one with the soldiers on the scorched earth which had been plowed by artillery fire and which ran red with blood and, although wounded, continues to direct the battle, fulfilling his mission as a pure person. Among the masses of portraits, I particularly wish to talk about Fan Sanjin and Shi Erwang, two characters who are depicted in a very vivid and subtle way.

Fan Sanjin is a strict soldier. The author writes: "The 6th Squad commander was one of the four well-known strict commanders. This was shown by a jingle: Keeping guard on the doors and windows of the jail, the military factory and the bridal chamber are all posts filled by Fan Sanjin." But, like many soldiers who keep a small dog or small bird, Fan Sanjin also kept a pet dog, and from this, we can see his love of life. This was him--just at the critical juncture when sparks were leaping to the skies and the ground was shaking, suddenly he found that his money pouch which he kept in his pocket was missing. Yan Jincai reprimanded him, saying: "What a time to be thinking about your money pouch! You must have money-grubbers' fever!" Fan Sanjin said: "It contains subsidies for the whole squad. It is not mine!" Such a resounding reply--"It is not mine!" Just as Fan Sanjin found his pouch, there was a burst of bullets and "just like a small bird which had crossed a canyon, he sank without a sound into the abyss...." When Gu Jincai sought him, all he found on the black flagstone was the money pouch covered with blood and dotted thickly with ants. Such a brilliant disposition, such a brilliant life, such a noble character, such a brilliant spiritual style! He gave his life for the country and for the people. With a heaven-splitting scream, Gu Jincai yelled: "Squad Commander...." He hugged that great black stone as if he was hugging Fan Sanjin himself. All of the men of the 6th Squad came. They took their cans of fruit juice which they were unwilling to drink even though they were parched with thirst, and smashed them onto the black stone as a sacrificial ceremony for their squad commander. It is so touching, as the feeling

of tragedy melds together with the spirit of epic heroism, thereby purifying the realm of just struggle. In this, there is sorrow, but it is not pitiful sorrow, but is instead a lofty sentiment. In his sadness, Gu Jincai stepped forward bravely and took the place of the squad commander in directing the fighting. Was not the excellence of Jincai's nature a shadow cast by the excellence of Fan Sanjin's nature?

Shi Erwang was a different sort of person. Special destinies produce special people. He had been taken prisoner in battle and endured the great misfortunes of history, thereby becoming deformed. When I read to the point where he was returning after going to the station to meet the company commander's wife, and this deformed person was carrying the baby on his back and tears flowed from his eyes, for some reason I thought of the bell-ringer in Hugo's "Notre Dame de Paris"--Quasimodo. Like a painter who is good at depicting the refraction of light, Zhu Chunyu in "Green Shade" successfully depicted Shen Qiao, who had a hideous appearance, but a beautiful spirit. Now, in Shi Erwang he shows his skills more strongly. In this dull-witted, distorted body, there was a deep feeling like that of Wang Qingshui. He loved his unit; he loved his fellow soldiers and he loved the motherland. He used all the pocket-money which people gave him to buy talcum powder, and divided this among the soldiers, so they could use it to avoid the unbearable discomforts inevitable when serving in tropical jungles. This showed what a good heart he had! Because he was not officially on the roll of the 6th Company, and could not go to the firing line, the deputy company commander, Jin Guoqing, put Shi Erwang under the charge of Tao Ran. Thus Shi Erwang was lucky in his posts. In exploring the mysteries of the universe and in his Promethean-style work of bringing benefit to mankind, he was "not stupid and, after training by Tao Ran, could even do much skilled, specialized work within the office and in the field." Who would have thought that on a windy and rainy night, "suddenly a great flash ripped through the darkness and there was a terrific shaking several times. There was an unstoppable rumbling roar and from the boundless depths of space, from outside the world there came a great surge, like a slicing knife, like the force of a landslide." Shi Erwang remained absolutely still, loyal in his post and was struck down by lightning on the observation post. His life was marked by an observation record which the world would never receive. True, in the great period of realizing socialist modernization, all exploration, discovery and creation will meet many difficult obstacles. It may also require blood. This time, it was Shi Erwang who died. In handling this, the author is so profound and shows such deep feeling!

The creative success in the artistic images of Fan Sanjin and Shi Erwang provides a powerful strength by which the work is pushed to its high point.

Here there is a small section:

"Da-da, da-da, the sounds of horses' hooves. Ding, ding, the sound of horse bells. The Naxi singer Grandpa Mu Jiuxuan comes on his horse to help.

"How much wisdom do the months and years give people?

"What price do the months and years demand?

"Grandpa Mu Jiuxuan sings a song, sings the song of his forefathers."

It is not Mu Jiuxuan. It is the author singing of two sacrifices through the mouth of Grandpa Mu Jiuxuan, expressing his appreciation to them for what they had contributed to the historical development of mankind.

Mu Jiuxuan is portrayed as very lovable and Tao Ran is also well depicted. When compared with these vivid images, it must be regretted that Chen Longhua, who is the positive side of the major contradictory thread, is not portrayed in a forceful way. If he was depicted better, the work would have had a more forceful effect. This poses a problem in the creation of military literature. In "Wreaths at the Foot of the Mountain," Xue Kaihua who has command abilities is not well portrayed and here Chen Longhua, who has leading abilities, is likewise not portrayed successfully. This shows that the depiction of "modern heroes," and especially positive heroic figures, requires a new breakthrough. However, as an artistic whole, "Asian Cascade" is like a towering and verdant holy mountain. The spiritual echoes between its characters are very closely linked and the achievements of its characters are spectacular. Regardless of the number of tribulations, hardships, tears, calls of distress, injustices and even crimes, the great untrammelled cascade is the work's major part. It stimulates seething activity and inspires the strengths of popular feeling.

III

In Zhu Chunyu's "Green Shade," below the title was the inscription "A Chapter on Morality." In "Asian Cascade," he deepens his exploration of morality. He has explored from the deserts of the north to the southern subtropical rain forests. On this road, the author is an ascetic trekker. Morality is a force by which man is ennobled, by which he realizes his ideals and by which he is enlightened. Here, if we dig down to the real topic of the work, down to the real vitality, the real soul, we find that it is "Asian Cascade's" moral denunciation and moral purification.

The heroic company commander, Chen Longhua, had stepped on mines three times, but had not been killed, and met his death only when investigating a situation on Gu Zhanjiang's orders. The author writes: "This remarkable person who had thrice stepped on mines and not been wounded, this lower level military officer who had an ancient wary nature and independent opinions, did not die in an exchange with the enemy, but died complying with the wishes of the divisional commander...." This death is a serious moral denunciation of Gu Zhanjiang, a serious moral denunciation of the many erroneous trends in the party and in the reforms which must be corrected! True, the whip of denunciation is firmly wielded on the heart of Gu Zhanjiang and lashes it until it bleeds. However, the author does not simply push Gu Zhanjiang into a blind alley of morality, but instead has his conscience awakened by the condensed moral strength of the nation and the condensed moral strength of the soldiers.

In the work, one often comes across the "cascade"--"the cascade which, as a force, cannot be blocked," "this Asian cascade" and so on. These sparkling things are all moral forces which can awaken the unhearing and raise the dead.

Thus, when Gu Zhanjiang throws himself into the cascade, he does away with his masks and costumes and returns to purity, at one with the naked masses. He throws himself into the pure spray and from standing above the masses, he dissolves within the masses.

If we say that Gu Zhanjiang moved from moral denunciation to moral purification, then Shi Erwang's fate played a strong role in that moral denunciation. The author wrote as follows: "Shi Erwang, this child of the earth, has returned to the earth. His youth, his life, and his character were solidified and fixed by lightning, a force which man cannot at present control. He proved himself fully as a son of the Chinese nation." True, Shi Erwang was morally pure and, with a pen as sharp as a knife, the author asks what caused Shi Erwang to suffer such a painful end. Is this not moral denunciation? Those people who engage in improper practices and walk improper roads should bear in mind this moral denunciation of Shi Erwang. We must build the four modernizations and we must progress. This requires that we shovel away all material and spiritual obstacles and filth. Thus, we need to carry out deep and thoroughgoing reforms and, within the units, we must study how to modernize military command and management strengths. This is a pressing task of reform. There is no absolute purity in the world, and reforms cannot be carried out in a vacuum. New social organisms can sometimes be contaminated by poisonous bacteria. But with the illumination of the party we can cure all sicknesses and bring back a strong, healthy physique. This is the deep and great significance of building socialist material and spiritual civilization. In terms of ideology and art, this can be used as a great critical strength in respect of revolutionary romanticism.

The function of literary works is to rouse people, to inspire people, and to purify people.

I believe that the two threads that are Gu Zhanjiang and Shi Erwang end when Gu Zhanjiang saves Tao Ran, who has been rushing about to make arrangements for Shi Erwang's funeral and falls unconscious in the rain. Here is depicted the great power of morality:

"He used his powerful arms to support Tao Ran. Standing in the rain, standing on the firm earth....Oh, firm earth you are our soul!"

You did not think that Gu Zhanjiang, who had cleansed himself under the cascade of purity would at this time have such a heavy moral burden in respect of his opponent in his hands and the deceased. True, this is the force of moral denunciation and moral purification fused together. Where this force will push Gu Zhanjiang is left for the reader to consider. However, the final sentence of the work, "Listen, listen, in this world, the sound of guns has not yet ended...."--this is not without significance. War is a road on which to cast and forge souls. Only when such a road stretches before the feet of the sons of the land will they be able to walk

the road they should. The overall significance of "Asian Cascade" is that it describes the noble ideals and great goals that all lives have been oriented toward in the great river of history, and urges progress toward them.

Of course, "Asian Cascade" is not without faults. For example, some plots do not correspond with the realities of life in war, the reality is affected; as there is excessive philosophical preaching and flaunting of knowledge, the structural tightness is affected; there is inappropriate use of poems and flowery language, which weakens the power of real-life simplicity to move people; the use of teasing details and wording lowers the spirit and quality of modern soldiers.... Perhaps I am being too harsh. However, "the flaws cannot obscure the jade and the jade cannot hide the flaws," and these points should be given some thought.

As military literature, "Asian Cascade" brings fresh news and stresses the important responsibilities in building spiritual civilization. The main task of our socialist literature is to stimulate the people's spirit of deeply loving the motherland, doing their best for the country and throwing themselves into the motherland's socialist modernization. In spreading patriotism and revolutionary heroism, military literature has an unshirkable holy task. If we wish military literature to travel a wider, healthier road of development, then we must uphold the four basic principles and firmly proceed along the road of socialist literature. We cannot return to the old "leftist" road. Within a certain scope, the "leftist" force is still very great. If we follow the same old disastrous road and, in accordance with "the theory of no conflict" standardize things, make things accord with formulas, and write in generalities, then there will be no road to follow and it will be found that no one is willing to read such literature. At the same time, while encouraging opening up and exploration, we must also pay attention to avoiding the influences of decadent feudal and capitalist thought, and avoiding the road of bourgeois freedoms. If we do not do this, it will result in errors which violate reality and standards which are not really high. Only by firmly implementing the party's literature and art line, principles and policies, by strengthening the sense of social responsibility and by studying Marxism-Leninism will we be able to create works with a higher ideological and artistic level. At present, in facing the new times of great changes every day, on the road of reform there will be an endless number of new people and new matters appearing. We need to put forward in a new way and in a way which stresses focal points, things which accord with the new times and the new masses. We should be filled with zeal and stretch out our arms to warmly embrace the modern heroes. We should love them, understand them, and depict them. In this way, our military literature can become more prosperous and flourishing and become a literature which can really ignite the flame of ideals and lead people to struggle forward.

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CSO: 4004/38

HOUSEKEEPING SERVICES ARE RECOMMENDABLE

Beijing RED FLAG in Chinese No 3, 1 Feb 86 pp 38-39

[Article by Jiang Xia [3068 7209]]

[Text] Of the 24 hours in a day, 8 hours are people's working hours or hours for labor. If 7 or 8 hours are for sleeping, then 8 or 9 hours are left. Except for those who like to idle away their time, these 8 or 9 hours can be valuable and include caring for and teaching children, visiting relatives and friends, learning more and studying, participating in cultural and recreational activities, engaging in various kinds of activities, and so on.

Marx and Engels, under different conditions and at various times, both called this portion of people's time "leisure hours," or "free hours" or "spare time for free disposal." They said: "Only by the large industries greatly heightening their productive forces is it possible, without exception, to divide labor among the constituent members of society, thereby greatly shortening the working time of each and every individual and giving all people sufficient free time to take part in discussions on social theories and in genuine public affairs and activities." ("Collected Works of Marx and Engels," Vol 20, p 198) "Viewed from society as a whole, creation of time available for free disposal is equivalent to creating time for scientific and literary pursuits and other activities." (Ibid., Vol 46, p 381) "Under the conditions of a rational division of work being enforced among all people," it is possible "for each and every person to have sufficient time to receive all the truly valuable things of the legacy of history; namely, culture in its various forms of science, art, and social intercourse." (Ibid., Vol 18, p 246) In their opinion, leisure is the necessary condition for the harmonious development of character and the overall development of talent. There is indeed no other better way to more clearly and outstandingly describe the important significance of leisure.

However, an acute problem now arises. This is that outside of the other uses of free time, at least 50 percent of these 8 or 9 hours are taken up by housekeeping. According to a survey done in 1984 by an office of JILIN RIBAO covering the work of 43 male and female workers of a unit directly subordinate to the Jilin Provincial Government, the average time spent each day by these workers on housekeeping was 5.38 hours, of which the time spent by the male workers was 4.25 hours and that by the female workers 5.43 hours (these

families had had homes with heating and gas). In 1984, a survey done by the Tianjin Municipality Women's Federation produced results more or less the same as those of the Jilin survey. Too heavy a burden of housekeeping will greatly disrupt the work and studies of the broad masses of staff members and workers.

Too much energy spent on housekeeping directly affects efficiency in social production and work. Too heavy a burden of housekeeping frequently affects unity and harmony at home. It is estimated by statistics that of every 100 divorce cases in Beijing, the uneven distribution of housekeeping duties is the main cause. Complex housekeeping duties may also conflict with people's activities. Housekeeping work must be done, and if it is not completed, doing research work, acquiring supplementary knowledge, and taking part in social activities will all be hindered. Some middle-aged people, in order to burn the candle at both ends, have to reduce their time spent sleeping or increase the intensity of work, thus constantly overexerting themselves, damaging their health, and sometimes causing a breakdown through overwork.

Under such conditions, from society's standpoint, it is necessary to think of some way to help people to gradually reduce the time spent on housekeeping. There are only three solutions: 1) Develop modernized household equipment and facilities. With regard to this, for the time being, due to the limitations of the level of the social productive forces and the people's economic conditions, it can only be adopted in part. 2) Develop ready-to-serve food. This method has already had definite effects, but it is still necessary to make further efforts to improve the quality of the foods in regard to nutrition, sanitation, and real benefits, so that it is more readily acceptable to more families. 3) Develop outside help in the rendering of housekeeping services. This measure is especially important at present, because it is capable of broadly solving the problem. At the end of the 1950's and the beginning of the 1960's, street residents' committees of many cities and towns, and even some organization units operated service units which were simple and plain, suited to reality, and welcomed by many families, particularly those of working couples. Unfortunately, this kind of service work was disrupted during the 10 years of internal disturbances. In recent years, although these services have been gradually restored, there are still other problems such as the organization units not being sufficient in number, the services rendered not being up to standard, and the units themselves not being well organized, or being far from meeting the people's pressing needs. At present, it is necessary to strengthen the social service work regarding housekeeping services. In the development of tertiary industry, this should never be overlooked.

Some time ago I and several comrades visited Zhengzhuangzi Street and Zhenzhuangzi Street of Tianjin's Hedong District to find out how they were rendering housekeeping services. We found them doing meticulous work and really providing experiences for those living on streets and roads of other cities to learn from. First of all, they set up a service network. All the 15 residents' committees of Zhengzhuangzi Street set up service stations for housekeeping work. As for Zhenzhuangzi Street, the whole street operated a people's service station, with all of its 21 subordinate residents' committees

having their own service stations, and down the line there being small service units to serve the populace. Furthermore, their services were all "suited to the local conditions, flexible and convenient, small in nature but diversified in operations, and relatively inexpensive for the services rendered" (this being in reality their overall guideline). For example, the services of Zhengzhuangzi Street were found to include the following: 1) Delivering milk to households; 2) attending to servicing gas supply; 3) selling main dishes and semiprepared food for lunch; 4) operating breakfast stands (with food served within 5 minutes after ordering); 5) operating weekend small service stands (doing repair services); 6) hair-cutting for the elderly, sick people, and disabled persons at home; 7) running small nursery services (charges on an hourly basis); 8) doing laundry work (including dismantling curtains, washing, sewing, and mending work for staff members and workers); 9) buying food on others' behalf; 10) looking after elderly people and sick people on a monthly basis; 11) storing and delivering coal; 12) running baths; 13) bicycle storage; 14) renting household tools; and 15) doing wallpapering. The services of Zhengzhuangzi Street were even more numerous, with some 220 services offered in the second half year of 1984. In addition, four minor services were specially offered: a minor water station (households which cook meals at home are commissioned to supply hot water to working couples who do not do any cooking after work; they send hot water bottles to working couples prior to their going to work, take them back upon their return from work, and levy a charge of 2 cents per bottle); a minor kitchen range service (the station keeps a number of ready-to-use iron kitchen ranges; households may borrow them for use and if they provide their own firewood, no charge will be made, but if firewood is supplied by the station, a charge of 5 cents each time will be made); minor maintenance and repair services (the station organizes retired technicians to do watch repairs, repairs of iron tools, and so forth, for the residents); and minor nursery services (the station assists those households having special difficulties in finding suitable nursery facilities to find help from nearby places to look after their children, at a monthly fee of 15 to 20 yuan).

More importantly, it is worth noting that if the services are purely without compensation, then there is hardly any possibility of their success, but if the charges are too high, people will be kept away and there will be no way to offer the services. These two streets in Tianjin have paid due notice to these points. They allow people rendering these kinds of services to do multiple jobs. By so doing, although the charge per item of work is low, on the whole, the gross income which an individual can earn from a number of jobs can very well match the formal wages of a full-time worker. In reality, this method is the integration of compensatory and free services. It is economic benefits on the one hand and the needs of the masses on the other. But if the spirit of serving the people is lacking, these services can hardly be offered since they are bothersome and inexpensive. This is particularly true when good money can be earned from other trades. Hence, it must be said that their spirit in this respect is extremely commendable.

It appears that the key for further consolidating and developing housekeeping services lies in elevating the thought and understanding of the party and political leadership cadres of districts and streets in cities and towns.

(Labor unions and women's federations also have a close relationship with this type of work.) We must help them to understand that performing a good job in housekeeping services and allowing the broad masses of staff members and workers to concentrate their energy on better carrying out their work and rationally using their free time to improve their scientific and cultural level and enriching their own spiritual life have an important and far-reaching significance in establishing the two socialist civilizations. In their capacity as leadership cadres, they are duty-bound to grasp this work well, leading it to follow a correct orientation (for example, never taking the road of "doing anything provided it can earn money," but taking the road of sharing the people's difficult problems and worries). In addition, they must go deep into investigation and research work, helping to sum up experiences, find out the concrete methods to perform a good job in rendering housekeeping services, and both materially and spiritually provide staunch support to these enterprises. If only the relevant leadership cadres can proceed in this way, this work of rendering services, which involves only trifles but has an important significance, will certainly be capable of attaining large proportions and better development.

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WHAT IS ECONOMIC LEGISLATION AND WHY IS IT NECESSARY TO STRENGTHEN IT?

Beijing RED FLAG in Chinese No 3, 1 Feb 86 pp 40-41

[Article by Chen Yunsheng [7115 7189 3932]]

[Text] Economic legislation is the process whereby state legislative organs and other relevant departments and organs collect together and centralize the common wishes of the various races of people of the whole country, pertaining to the development of the national economy, and, in accordance with socialist principles and the needs of social development, fix and put in legal form economic procedures beneficial to the state, to social development and to the relations between the rights and obligations of socioeconomic organs and people in their economic activities. This enables them to have the effect of being uniformly observed by the whole society and thus effectively protects the development of the state's economic enterprises.

The content of economic legislation is extensive and complex. The objects understood to be within the scope of economic legislation and subjected to its regulations include all such phases as the national economic plan; capital construction management; financial and currency management; industrial and commercial management; taxation management; materials resources management; communications and transportation management; management of the various trades of agriculture, forestry, animal husbandry, sideline production and fisheries; management, protection and opening up of natural resources; environmental protection; labor wages management; social welfare; social insurance; rewards for inventions; opening up and utilization of science and technology; foreign trade management; population economic management; management of talents; and so forth. Moreover, it is related to the various stages of the national economy such as production, exchange, distribution and consumption. It embraces not only full-scale macro-management exercised by the state and the economic and administrative departments over the national economy, but also the micro-management exercised by the management departments of various socioeconomic organizations over the economic activities of their own organizations. It is related on the one hand to the vertical economic relations between the higher and lower levels of the socioeconomic organizations and, on the other hand, to the horizontal economic relations between the various socioeconomic organizations and people, and also to economic relations with foreign countries.

In recent years, our country's economic legislation work has achieved big results and has played an important promotional role in socialist economic construction. However, our country's economic legislation is still far from catching up with the needs of socialist modernized economic construction. In particular, certain important economic statutes related to economic construction in its entirety have still not been formulated. These include planning law; industry law; company law; agriculture law; land law; commercial law; capital construction law; banking law; commodity price law; foreign trade law; resources law; communications and transportation law; labor law; and so on. They all urgently need to be formulated.

Developing the national economy is an important and complex social activity. To develop the national economy speedily, safely and in a coordinated manner, scientific management must be enforced but the basic demands of scientific management are legalizing and systematizing. If there are no laws to rely on and no statutes to follow, then it is very difficult to control economic enterprises and economic affairs well. In our country, law is the manifestation of the state's wishes and the people's wishes. It prescribes the rules governing man's acts and determines, under specially fixed conditions, what people may do, must do, and must not do. In other words, it stipulates the rights people enjoy and the obligations they must perform according to law, thereby prescribing people's acts in society and regulating people's reciprocal relations to each other in social life. As a social standard, law possesses the special features of being universal, stable and compulsory. In particular, its nature of compulsion is not found in other social standards or norms. The role of economic legislation is found in its possession of the general attribute of law. Speaking about the universal nature of economic legislation, once society's economic management activities are uplifted to an economic legislative standard, then it must be observed by the whole society and no organ or individual can be exempted. This is to say, the whole society must then actively and correctly handle the relationship between the rights and obligations in the economic relations between economic organs and people as prescribed by the economic statutes, thus maintaining and developing normal economic order and protecting and facilitating the development of the national economy. As for the stability character of economic legislation, development of the national economy as a kind of social activity requires society to make a concerted effort at coordination and this necessarily demands the establishment of relatively stable economic order and stable relations between power and obligation. If perfect economic legislation is lacking, then this will naturally bring about constant change in the economic order and in the relationship between power and obligation and cause setbacks and losses in economic construction. This point has been amply proved by experience on the pro and con sides in our country's 30 years of economic construction. The character of compulsion in economic legislation plays an especially important role in protecting and developing economic enterprises. Only through economic regulations clearly stipulating acts that are banned in the economic activities of socioeconomic organs and people, and also stipulating their legal responsibilities for failing, or refusing, to perform the obligations prescribed by the economic statutes, as well as the measures of punishment therefor, is it possible to effectively maintain normal economic activities and to facilitate the healthy and smooth development of economic enterprises.

The importance of economic legislation has been recognized by many countries of the world. Despite differences in the social systems of these countries and also differences in the basic purposes of their economic enterprises, by ceaselessly perfecting their economic legislation they have protected and facilitated the development of their economic enterprises. These are successful experiences with a universal character and we may gain much beneficial enlightenment from them. For the sake of developing our country's economic enterprises and triumphantly realizing the gigantic objective of socialist modernization, we must highly regard and strengthen economic legislation.

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WHY IS IT NECESSARY TO INTEGRATE THE DEVELOPMENT OF THE EASTERN REGION WITH THE OPENING UP OF THE CENTRAL AND WESTERN ONES?

Beijing RED FLAG in Chinese No 3, 1 Feb 86 pp 41-42

[Article by Chen Dongsheng [7115 2767 3932]]

[Text] Economic development in the various regions of our country is extremely imbalanced. Viewed from the existing economic and technological development level and the majority of the economic benefit targets, from east to the west in our country may be clearly demarcated into three tiers, or, three large zones. These are: the eastern region along the coast where the economic and technological development level is relatively high; the central region in the interior where economic and technological development ranks next; and the western region which is economically undeveloped and awaits opening up. If we analyze the conditions for development of the productive forces and the principal factors, and viewed from the existing fixed assets, basic facilities, and conditions such as intellect, technology, operation and management and dissemination of information, then in general, the east is higher and the west is lower and from east to the west the grading gets progressively lower. From the standpoint of natural resources such as mineral deposits, water power and land, the west in general is plentiful, and the east is poor and from east to the west the grading in this respect gets progressively higher.

The basic guiding ideas of economic layout of the regions in our country are the correct handling of the relations between the three zones of the east, central and west; fully displaying the superiorities of each of the three zones; further developing the horizontal economic relations between them; and doing a good job of integrating the development of the eastern region and the opening up of the central and western regions, so as to invigorate the whole economy and enrich the whole people.

The necessity to integrate development of the eastern region with the opening up of the central and western regions is first of all determined by the nature of the socialist system. In capitalist countries, the economic growth of a region is frequently the price paid for the economic stagnation, disruption, or failure of certain other regions. Socialist countries must and can simultaneously attend to the interests of various types of regions so that one region, while achieving self-development, can simultaneously lead

and promote the development of other regions. In our country, development of the eastern region was earlier historically, and its existing economic and technological level is comparatively high. In comparison, the economic and technological level of the central and western regions is low and, in particular in the western region which is the principal region of abode for our country's minority races, some of the places are considerably behind in economic and cultural development. The eastern region is duty-bound to consider the organic integration of its own development with the opening up of the central and western regions and help the latter to develop. Only by so doing is it possible to realize the invigoration of the national economy and make the whole people affluent, to further strengthen the great unity of the various races and to consolidate border defense.

Next, the three economic zones of the eastern, central and western parts of our country vary greatly from each other in respect of their superior and inferior points in conditions for economic development. This also determines that the development of the eastern region must be integrated with the opening up of the central and western regions. The level of economic development of the eastern region is relatively high. In this region, the level of capital funds, technology, operation and management and the conditions for foreign economic and technological cooperation are all relatively superior to the central and western regions. However, the region lacks energy resources and various kinds of raw materials while the central and western regions precisely have the upper hand in this respect. The strong points of the eastern region are the weaknesses of the central and western regions and the superiorities of the central and western regions are precisely the inferiorities of the eastern region. This objective condition determines that integration of the development of the eastern region with the opening up of the central and western regions can bring about the benefits of learning from the strong points of others to offset one's weaknesses; realizing mutual compensation in superiority; obtaining good macroeconomic benefits; and forming strong social productive forces. At present, the energy resources and many of the raw materials consumed in the eastern region come from the central and western regions, and in order to increase the supply of energy and raw materials to satisfy the needs of the eastern region's further development from now on, it is also necessary to integrate well the development of the eastern region with the opening up of the central and western regions. Viewed from the standpoint of foreign relations, the eastern region is the main window of our country's economic trade and technological exchange with foreign countries and, in fact, is the main export base. With its economy being mainly externally oriented, its face must be toward the world and it must develop international markets. The stronger its radiating power to the outside, the more urgent is its demand for the backing and support of the central and western regions. Only through developing the eastern region simultaneously with vigorously opening up the central and western regions is it possible for the eastern region to procure an endless supply of raw materials and primary products from the central and western regions; subject the products to concentrated and intensive processing for export; increase their competitive power in international markets; and continuously increase the volume of its export trade. Hence, viewed from the standpoint of the window and the interior, it is also necessary to demand that the development

of the eastern region and opening up of the central and western regions be integrated well.

Third, integration of the development of the eastern region with opening up of the central and western regions is also needed for the realization of the long-range objectives of the struggle for our socialist modernization. To ensure the quadrupling of the gross output value of industry and agriculture in our country, during the Seventh 5-Year Plan period and the 1990's, the state will devote great efforts to speeding up the development of the eastern region, so as to make full use of its economic and technological superiority. Following the quadrupling of the gross output value of industry and agriculture, the people's standard of living will attain a fairly well-to-do level but this is only the first step in our country's modernization program. In order that in the 2020's of the next century, our country will reach the level of a medium-grade developed country, and in the middle of the next century become the world's first-rank, prosperous, wealthy and modernized powerful socialist country, it is necessary to open up on a large scale the central and western regions which cover a wide territory and possess extremely plentiful resources of various kinds. The opening up of the central and western regions cannot wait mechanically for full completion of eastern region construction before any work is undertaken. Rather, we must actively take up the job simultaneously with speeding up the development of the eastern region. Concretely speaking, during this century, the major energy and raw materials construction projects will be in the central region, while the western region will vigorously grasp the region's own agriculture, forestry, animal husbandry, communications and transport, and open up its plentiful resources of various categories which are urgently needed by the state; appropriately develop certain processing industries and those industries producing goods specially needed by the minority races; and, working from various sides, make full and good preparations for shifting the major projects to the western region toward the end of this century and in the early part of the next century.

After the 3d Plenary Session of the 11th CPC Central Committee, due to the enforcement of the policy of invigorating the national economy and opening to the outside world, between the three economic zones of the eastern, central and western regions the horizontal economic relations have been stronger daily. Between the various provinces, municipalities and autonomous regions, adoption of diversified forms of economic and technological cooperation such as cooperative production, joint investment operation, compensation trade, processing of imported materials, advisory work on technology, project contracting, and so forth, has made much progress. Through absorbing capital funds, technology, and expertise in operation and management from the eastern region, the various provinces, municipalities and autonomous regions of the central and western regions have speeded up their own opening up processes. The eastern region, having received from central and western regions more supplies of energy resources, raw materials, and primary products, has also speeded up its economic development. The recommendation in the Seventh 5-Year Plan of the CPC Central Committee has further integrated the development of the eastern region with the opening up of the central and western regions. This, serving as an important guideline for

economic construction and basic guidance for the economic layout of the regions, will surely promote a better display of the separate superiorities of the three zones and the further strengthening of their reciprocal and horizontal relations, and promote the speedier realization of the rationalization of the economic layout of the whole country.

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WHAT ADJUSTMENTS SHOULD BE MADE IN THE RURAL PRODUCTION STRUCTURE IN ORDER TO
SUIT THE DEMAND FOR MODERNIZING PRODUCTION?

Beijing RED FLAG in Chinese No 3, 1 Feb 86 pp 43-44

[Article by Zheng Youyun [6774 1635 0061]]

[Text] In order to suit the demand of the development of the modernization of our country's economy in the Seventh 5-Year Plan period and to the possible changes in the composition of people's consumption, it is necessary to continue to make rational readjustment of the rural production structure.

1. We should continue to readjust the proportional relations between grain and industrial crops, gradually increase the percentage of industrial crops and thus further rationalize the internal structure of our farming. During the Sixth 5-Year Plan period, we corrected the erroneous policy of "regarding grain as the key link" and readjusted the layout of our crops, and thus achieved all-round development of grain and industrial crops. From 1980 to 1984, the percentage of the area of grain crops in our total farming area dropped from 80.1 percent to 78.3 percent and that of industrial crops rose from 10.9 to 13.4 percent.

Grain is the principal sector of our farming and constitutes the material precondition for readjusting our rural production structure and developing the commodity economy. An important reason why in the past few years we have been able to take a great step forward in readjusting our rural production structure is the bumper harvests of grain for years in consecution. Without this fundamental precondition, the readjustment of our rural production structure would have been unimaginable. Even if we had done it, we would not have been able to consolidate it. Therefore, during the Seventh 5-Year Plan period, we must ensure the continuous and steady growth in our grain production. At present, the material and technological foundation of our country's agriculture is still weak. We have a relatively poor ability in resisting natural disasters, and it is difficult to reap a bumper harvest of grain every year. At the same time, as the modernization develops vigorously, and as the living standard of our urban and rural people improves, there will be an even higher demand for the production of our grain both in terms of quantity and quality. Therefore, at any time, we should keep our minds sober and attach importance to grain production. Under the precondition of ensuring the steady growth of our grain production, we should expand

the production of our industrial crops in a planned and systematic manner and gradually increase the proportion of these crops. As for the industrial crops, of which the supply has already exceeded market demand, we should apply economic means to control and reduce their production. As for the industrial crops for which there is a demand in our market, we should encourage their production, in particular, encourage the application of rising science and technology such as genetic engineering in order to continue to improve crop breeds and thus achieve high output and fine quality of the crops.

2. We should continue to readjust the proportional relations between farming and other sectors such as forestry, animal husbandry, sideline undertakings, and fishery, gradually increase the proportion of the latter and thus continue to rationalize our agricultural structure. During the Sixth 5-Year Plan period, through gradual readjustment, the percentage of the output value of our farming in that of all our agriculture including forestry, animal husbandry, sideline undertakings and fishery to some extent dropped, and that of forestry, animal husbandry, sideline undertakings (including village industry) and fishery to some extent rose. From 1980 to 1984, the percentage of the output value of our crops farming dropped from 63.7 percent to 58.1 percent; while that of our forestry, animal husbandry, sideline undertakings and fishery rose from 36.3 to 41.9 percent. Nevertheless, the latter sectors continue to be less developed in our agriculture and fail to meet the demand of our economic construction and people's livelihood.

Our agriculture, forestry, animal husbandry, sideline undertakings, and fishery depend on and promote one another. Without our forestry, our agriculture will be a limp one. Without fishery, our agriculture utilizes our land areas only. Without relatively developed forestry, animal husbandry, sideline undertakings, and fishery, it is impossible to improve our people's livelihood, or to switch our people's consumption from the pattern of having enough to eat and wear to a comparatively well-off pattern. Over the past few years, the food mix of our urban and rural people has already undergone changes. The percentage of staple food has tended to drop while that of nonstable food tends to rise. As people's living standard improves, this trend will become increasingly clearer. Therefore, during the Seventh 5-Year Plan period, in the light of the relatively backward forestry, animal husbandry, and fishery in our country, we should continue to adopt policies to encourage enterprises owned by the whole people, collective enterprises, and individual people to fully utilize the natural resources, vigorously develop our forestry, animal husbandry, and fishery, increase their proportion in our agriculture, increase the output of meat, poultry, eggs, milk, and fish, satisfy market demand, and thus improve people's livelihood.

3. We should continue to readjust the proportional relations between our rural primary and secondary industries and between primary and tertiary industries and gradually increase the proportion of industry, transportation, construction, and service trades in order to make the rural production structure more rational. In the past few years, a heartening change has occurred in our country's rural production structure. The proportion of agriculture (the primary industry) has dropped, the proportion of rural industries and construction trades (the secondary industry), and the proportion of

communications and transportation, commerce and service trades (the tertiary industry) have risen. Particularly, the development of township and town enterprises is quite rapid and it accords with the development trend of our rural areas. Our practice has proved that it is difficult for the township and town enterprises to develop without a consolidated agricultural foundation. Nor can our agriculture develop steadily without well-developed township and town enterprises. Under the current price system, the difference in income is quite big between people who are engaged in grain production and people who are engaged in industry, side production and business. It is obviously impossible for us to adopt the method of raising the prices of our agricultural products to even up the level of their income. In order to protect the peasants' initiative in growing grain, we have adopted the method of subsidizing our agriculture by our industry and have allocated some incomes gained by our township and town enterprises to help and encourage our peasants to develop farming and animal breeding. This practice will be a long-term policy to properly handle the relations between their economic interests.

The development of the tertiary industry is an important task in readjusting the rural production structure. The development and the socialization of the production and consumption of the primary and secondary industries require more and more various kinds of socialized services; therefore, the principal sectors of the tertiary industry---commerce and service trades, will also develop rapidly. Our country's tertiary industry is backward. The tertiary industry in our rural areas is even weaker. There are no transportation facilities or quick access to information. The services before and after production and commerce, financial and tourist trades are very underdeveloped. Most of the tertiary industry is labor-intensive. We may fully utilize the advantage of having abundant labor force in our country's rural areas and thus have broad prospects for development. The tertiary industry and the primary and secondary industries depend on and promote each other. Without prosperous primary and secondary industries, it is also impossible for us to develop our tertiary industry. At the same time, the tertiary industry will also affect and restrict the development of the primary and secondary industries. In the Seventh 5-Year Plan period, we should continue to adopt effective methods to encourage and support our peasant collectives and individuals to develop the tertiary industry and enable the proportion of employers in the total number of employers of the society and the proportion of its output value in our GNP to gradually rise in order to make the proportional relations between the primary, secondary, and tertiary industries more harmonized.

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IS IT RETROGRESSION TO CONTRACT SMALL STATE-OWNED RETAIL SHOPS TO THE COLLECTIVES OR RENT THEM TO INDIVIDUALS FOR THEIR MANAGEMENT?

Beijing RED FLAG in Chinese No 3, 1 Feb 86 pp 44-45

[Article by Guo Dongle [0753 0392 2867]]

[Text] In the reform of our urban commercial system, we adopt three methods to relax our control and enliven the small enterprises in our state-owned retail commerce and catering trade: For some of these enterprises, we have implemented the principle of "maintaining state ownership, having the enterprises managed by the collectives, collecting taxes from them according to the regulations, and assigning them sole responsibility for their profits and losses." For others of them, we turned them directly into collective enterprises. Still others of them, particularly the small shops that mainly provide labor service such as those in the catering trade, service trade, and reparation service trade, have been rented to individuals for their management. According to our statistics, by October 1985, among the 85,805 small state-owned retail commercial and catering service enterprises in the whole country, 49,085 had been contracted to the collectives for management, 7,847 had been turned into collective ones, and 7,377 had been rented to individuals for their management.

The major reasons for contracting small state-owned retail commercial enterprises to the collectives or renting them to individuals for their management are as follows:

1. Small retail commercial and catering service enterprises mainly use manual labor, rely on manual skill, and mainly provide or partially provide labor of service nature. In the past, we adopted the method of the state exercising centralized management and shouldering unified responsibility for their profits and losses. This is detrimental to correcting the labor attitude of the staff and workers in these enterprises or to urging them to improve their skill and service quality. Contracting these enterprises to the collectives or renting them to individuals for their management will enable the staff and workers' personal material interests to be more directly and closely linked with the results of the operation of the enterprises. This will be conducive to urging the staff and workers to be more concerned about their enterprises' profits and losses out of their immediate interests, giving full play to their labor initiative and creativeness, and making these enterprises arrange

their production and operation flexibly in accordance with social demands, strengthen their administration and management, and heightening their economic results and social service results.

2. At present, the degree of the socialization of housework is not high in our country. Almost all families have to cook their meals and buy various kinds of foodstuff and other articles of daily use every day; therefore, there is a demand for purchasing things near their homes. The dispersion and diversification of consumption determines the dispersion of the operation of our commerce and catering service trade. The small shops that are scattered all over our country like stars and have diverse forms of operation are characterized by small scale, flexible management, and strong adaptability. They can make up the defects of large enterprises and satisfy diverse demands of the production and livelihood in our society.

Will the nature of the ownership by the whole people of them be changed when these small state-owned retail commercial and catering service enterprises are contracted to the collectives or rented to individuals for their management?

The small state-owned enterprises that have been contracted to the collectives for their management are now managed according to the state's policies and methods toward collective enterprises. The original property and funds of the enterprises belong to the state. The enterprises possess the fixed assets owned by the state, provide depreciation funds in accordance with the regulations, deliver half of the funds to the state, and are responsible for the maintenance and renewal of the assets. The enterprises also possess the floating funds owned by the state and on principle have to pay fees for funds employment in accordance with bank interest rates. If they have difficulties in paying the fees, they can be exempted from the payments for a certain period of time. Therefore, these small enterprises embody the appropriate separation between the power of ownership and management and there is no essential change in the nature of their ownership by the whole people.

The small state-owned enterprises rented to individuals for their management have mainly undergone a reform in their mode of management and have not been turned into individual economy. At the same time, a portion of the profit of these rented enterprises should be delivered to the state in the form of rent. In addition, the enterprises have to pay unified retirement insurance funds. This change in the mode of management is in fact a method to separate the power of ownership of the enterprise from the power of management. It has not radically changed the nature of the enterprise's ownership by the whole people.

How should we then understand the change in contracting small state-owned retail commercial and catering service enterprises to the collectives and renting them to individuals for their management?

We all know that at the present stage our country's productive forces are of many layers and the development of the productive forces is uneven. There is backward small production as well as modern mass production; and there is not

only a large amount of manual labor but also mechanized labor. In order to adapt our commerce to this situation, for a fairly long time to come, we must establish a commercial structure consisting of diverse economic forms with the state-owned commerce as the dominant sector.

Our country's socialist transformation of the private ownership of means of production was successful, but in the later period of the transformation, there were too many mergers in the commercial sector and thus excessively reduced the proportion of collective and individual commerce in our commercial sector. In regard to this situation, in 1956, Comrade Chen Yun pointed out: "Most of the small shops and fixed and mobile hawkers are dispersed among our residential areas. The small shops and hawkers that are scattered in our residential areas are a form of business and service in our country's commerce that we will need for a long time to come. If we merge them all into joint state-private and cooperative shops, there will be inconvenience for our people's consumption. If we allow them to do their business, remain scattered and be paid fixed wages by the state, then we will not be able to maintain their business initiative." ("Selected Works of Chen Yun" (1949-1956), p 310) However, Comrade Chen Yun's correct view was not implemented at that time. On the contrary, during the 20 years from 1958 to the 3d Plenary Session of the 11th CPC Central Committee, there were several times of "upgrading" and "transition" to turn individual commercial enterprises into collective ones and collective ones into state-owned ones. By 1978, collective commerce accounted for only 2.2 percent of the total volume of retails of social commodities while individual commerce accounted for only 0.1 percent. In essence, the state commerce had a monopoly over commerce. As a result, it not only seriously hindered the development of our production, but also encouraged the "official commercial" work style and caused great inconvenience to our people.

Since the 3d Plenary Session of the 11th CPC Central Committee, in accordance with the principle of "three diversifications and one reduction" (diversifying economic forms, business methods and circulation channels, and reducing circulation links), we have readjusted the commercial structure in our society, relatively quickly recovered and developed our collective and individual commerce, and relatively greatly enlivened our market. In order to continue to give play to the staff and workers' initiative in doing business and open up new spheres of services, we have turned a number of small state-owned commercial enterprises that are originally not suited to be managed by the state into enterprises managed by the collectives or individuals. This is precisely a major readjustment in our commercial system which we have carried out in order to thoroughly correct the "leftist" mistakes and in order to correctly act in the light of our historical experience. It is a manifestation of our conscious application of the law that the relations of production must be suited to the nature of the productive forces. Practice has already proved that the implementation of this policy has given play to the staff and workers' initiative, invigorated our enterprises, enlivened circulation of commodities, made our market prosper, promoted our production and provided convenience to the livelihood of the masses of people. Therefore, essentially, this is not a retrogression but is a progress.

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WHY SHOULD WE REGARD STANDARDIZATION AS A MAJOR POLICY FOR ECONOMICS AND TECHNOLOGY?

Beijing RED FLAG in Chinese No 3, 1 Feb 86 pp 45-46

[Article by Li Changhui [2496 2490 1920]]

[Text] Standardization refers to the unification of things and concepts that are duplicated through the formation, promulgation, and enforcement of standards so as to attain the best procedure and social benefits in the social practices of economics, technology, and scientific management.

Standardization has a close relationship with people's production and lives. Following the development of the productive forces, people, in their material production, have formed the rich contents of standardization in regard to the demands on the form, sizes, and functions of the various kinds of tools and articles and the various kinds of relevant plans computations, processing procedures, concrete operational methods, and so forth. With the development of production, construction, science, and technology, the sphere of standardization has become increasingly extensive. In order to make the activities in enterprise management rational, systematic, and modernized and to achieve the purposes of good quality, high efficiency, low consumption, and low production costs, various countries are currently vigorously promoting standardization in enterprises. Modern standardization has spread to the various phases of social production and life. The level of standardization is the yardstick for measuring a nation's production and technological level as well as its management level and is an important landmark in modernization.

Standardization is an important method of organizing modernized production. Modernized production is highly efficient production built on the basis of advanced technology, a well-organized division of work, and massive cooperation. The products and engineering projects of many plants are frequently related to scores or hundreds or thousands of enterprises and are related to many departments and the various production and technological stages within an enterprise. Such a complex and comprehensive production organization system requires that the production activities of whole society maintain a high degree of unity in technology, coordination, and unanimity, and thus standardization plays an indispensable role as a link in technology. Standardization is the precondition for rationally developing variety and

organizing specialized production. One of the important principles of standardization is rational simplification. It is beneficial to systematizing variety, raising the degree of the generalization of parts, expanding the scale of production, realizing specialized production, adopting advanced technological equipment, and accomplishing the purposes of using the minimum system of products to meet the needs on various sides and using the maximum equipment in general use to produce different kinds of products.

Standardization is an important guarantee for improving the quality of products. Standards are the foundation of overall quality management and the technical basis for improving the quality of products and for carrying out the supervision and inspection of the quality of products. To a large extent, the level of standards determines the high or low quality of products. If the standards of the 1960's are used to organize production, then even though the products are fully up to standard, they would still be substandard and backward products. Hence, in order to solve the quality problem of products, the problem of the standards must be first solved. Only by following the international standards and the advanced standards of foreign countries to organize production is it possible to ensure that the quality and functions of our country's products can gradually reach the level of the developed countries and to strengthen our economic power.

Standardization can facilitate the rational use of the national resources, conserve on the consumption of energy and labor power, and improve economic benefits. For example, in the past our country did not have a water quality standard for low-pressure boilers and lacked water quality requirements and the measures to handle this. As a result, the state of accumulation of sludge in the boilers was very serious and the average thickness of the sludge was 5 to 6 millimeters. Each year thousands of sets of boilers were ruined and tens of millions of tons of fuel were wasted. In 1980, following the state's promulgation and enforcement of a national water quality standard for low-pressure boilers, sludge in the boilers has been reduced to 1 to 3 millimeters and the steam generation per ton of coal consumption has increased from 7 to 9 tons, or a rise of 30 percent. The medium and small boilers in the country alone have achieved annual savings of over 4 million tons of coal. The economic benefits are extremely obvious.

Standardization also plays an important role in protecting and improving mankind's standard of living, ensuring safety protection, and bringing benefit to society. Along with the continuous development of production, environmental pollution and damage to the ecological balance have seriously endangered people's health and safety. As for the various kinds of food, medicine, articles for cultural and recreational use, electrical articles and electrical goods for household use, their sanitation and safety functions are likewise related to the health and safety of mankind. Formulation and enforcement of standards for environmental protection and sanitation and safety standards for the relevant products, as well as rigidly strengthening over them, can control the release of harmful elements in excess of the prescribed standards and can also prevent the infiltration into the markets of products not compatible with health codes and safety requirements, thus accomplishing the objectives of protecting the environment and the health and safety of mankind.

Standardization is an important tool to promote the international exchange of technology and economics. One of the special features of modern standardization is its international character. International standards have become commonly observed rules governing technological and economic exchanges on a worldwide scope. Performance of a good job in standardization is beneficial to the banishment of the technological barriers in international trade, promotes technological exchanges and the development of import and export trade, and protects the interests of the state.

Standardization is technological and economic foundation work of a comprehensive nature. It is an undertaking which requires low investment, draws quick results, provides large benefits, and bears an important significance in promoting technological progress and realizing the lofty objective of socialist modernization.

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IT IS NOT EASY TO KNOW WHAT SHOULD BE DONE

Beijing RED FLAG in Chinese No 3, 1 Feb 86 p 47

[Article by Xun Chunrong [5424 2504 2837]]

[Text] When talking about the special features of today's college students, a friend said: "They are diligent in thought and brave in probing but do not need, and do not like, people teaching them too much as to what they should and should not do."

I have done little research on the problems of youths and do not know if this special feature belongs especially to a portion of the students, or is common among the present generation of college students. However, I feel that the problem itself is worth "thinking" about and "probing."

I think of the relations between the child and the mother. A good-hearted mother frequently makes an insufficient estimate of the child's growth. She always likes to give one warning after another and then hundreds and thousands of reminders, and will not stop until the child loudly protests: "I know!" Just what is the meaning of all this nudging on the mother's part? College students are no longer young children. Concern about them should long have passed the stage of cautioning them to "take care when crossing the road" or to drink water when "thirsty." Unfortunately, certain comrades among us still want to waste words on, and devote efforts to, problems which the college students can fully handle themselves with their intellect and ability to judge what is right and what is wrong. The fuss is indeed unnecessary. This kind of guidance well deserves the rejoinder that "it is not needed and not liked."

Nevertheless, "what should be done and what should not be done" is a big problem. It embraces a big "yes" or "no" in political thought and what course to follow in the journey of life, and so on. Is it true that our college students have fully comprehended and solved these problems? The answer is no. For example, some youths have always felt that there is freedom in a capitalist society and they are after it in heart and soul. But after their wishes have been realized they can discover that things are far different from their original wishes and they would deeply regret what they have done. Again, for example, a youth sees a peasant falling into a deep pit of manure. Should he risk his life and help him out or should he

just take a casual look and go his way? College student Zhang Hua's answer to this question was to act and sacrifice life to save that of the peasant. Yet, was it not true that when an assessment was made of Zhang Hua's deed there were people who felt that it was not worthwhile for a college student to sacrifice his life in exchange for a peasant's life?

In reality, in man-to-man relations and in relations between the individual and the collective and between the individual and society, this problem of "what should be done and what should not be done" lies squarely before us all the time. Not everybody can answer the question and, far less, is there any person who can answer it well. Some can answer the question in theory but when it comes to actual practice they are helpless. And some may be able to answer the question but when they meet with another question they cannot answer it. Thus, we cannot treat this problem as one that can be solved easily.

It is true that "deliberating" and "probing" can play an important role in solving this problem. But at times, if the deliberation is not carried out in the right way, or the probing is not done in the correct directions, they will not work. As Comrade Liu Ji, a well-known "young educator," well said: "Current youths are brave in probing but at times they fail to clearly mark between the good and the bad. They dare to break through antiquated ideas but they lack alertness against the corrosion of capitalist ideas." Obviously, to overcome the weak points in deliberating and probing, simply relying on deliberation and probing themselves will not work. The guidance of Marxism and scientific knowledge is still sorely needed. Lu Xun once said: When a child grows up, he is strong and clever. "Even though opium or morphine is shown to him, there is no great danger. However, needless to say, at the same time there must be some enlightened person to point out to him that if he takes either the opium or the morphine, he is liable to become addicted and once he is addicted he will become a worthless creature or even harmful to society." How important it is to have an enlightened person to serve the warning!

To be able to correctly assess one's self is the start of a person's progress. Gorde [Gede [2960 1795]] once said: "If a person does not overestimate himself, he will indeed be much loftier than his own estimate of himself." In my opinion, on this problem of "what to do and what not to do," college students still at their studies, like educated adults, "should welcome," and "should not reject," correct guidance. Does the friend mentioned at the beginning of this article agree with me?

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THE ENJOYABLE 'PREGNANCY CASE'

Beijing RED FLAG in Chinese No 3, 1 Feb 86 p 48

[Article by Hong Zheng [1738 1767]]

[Text] The "flower-drum" shows of Henan Province are local theatrical plays well enjoyed by the populace. The plays are usually humorously presented, mixing humor with serenity, and frequently making the audience, in the course of laughter, attain enlightenment in thinking and warm feelings. The "Pregnancy Case," a newly composed drama recently presented on the stage with the characters wearing ancient costumes, is precisely such a case. The whole play comes to a close amidst roaring laughter from the house, but the attitude of the author was stern and serious. The boisterous and satirical themes are presented with great skill, the characters in the play presented with great fanfare, and the play itself has a vast drawing power.

The "Pregnancy Case" has a rather simple plot: Princess Youye is ill. The emperor orders four medical officers of the court to give her a medical examination. The imperial physicians find that this unmarried princess is "pregnant," but, caught in a dilemma in which "to tell the truth would not do and not to tell the truth would not do either," none of the imperial physicians dares to speak the truth. Imperial physician Li Hong, a roguish person, thinks of an "infallible" plan. He says that the princess' illness is due to an "internal disorder." He advises the emperor to quickly acquire a son-in-law to "drive away the evil spirit." But who would guess that the person selected for the purpose, the newly crowned number one scholar from the recent imperial examinations, Liu Huaiyu by name, would refuse to cooperate. Liu swears to observe his lover's wishes; he offers to diagnose the princess' illness. In the end, he confirms that the "princess is truly pregnant," and openly accuses Li Hong of deliberate fabrication. As a result, this number one scholar nearly loses his life.

The emperor was fully aware of the princess' pregnancy at heart. However, what he wanted was not the truth but a way to cover up the ugly incident. Hence, whoever could be unanimous with him in the matter was, to him, "truly loyal"; otherwise the offender would be sent to the "death cell." The fact that the story of the princess' pregnancy took place during a period of internal disturbance and a poor scholar saved her life and she and the scholar fell in love and lived together, does not get around the fact that in the old

days of feudalism this was considered to be a serious violation of the moral code. On the other hand, if nobody had told the truth and Liu Huaiyu was put to death, then the lady's good name would be preserved and the "shameful event" would be covered up. Quite unexpectedly, at this juncture, the princess speaks up, frankly tells the truth, and bares her decision not to marry any person other than her former lover, the poor scholar. Also unexpectedly, imperial physician Hu, who had been sorely rebuked by his conscience, visits the palace in the dead of the night and bares the whole truth. Thus, the play has a happy ending (the princess and the number one scholar were husband and wife under duress). Presentation of the play is thus humorous and full of fun. Laughter rocks the whole house, but when the laughter dies down, the people carefully examine the inner core of the plot and engage in deep thought....

To save his own face and prestige, the emperor not only would mix black and white, cruelly kill loyal and conscientious people, but also refuse to recognize his relatives, including his own daughter whom he would not hesitate to eliminate. Under the force of despotism, the various officials behaved as follows: Number one scholar Liu would rather die than utter a lie; imperial physician Li finds glory in falsehood; imperial physician Hu is stricken by conscience for fabricating falsehoods; and imperial physician Qian wants to lie but cannot do it well. In shaping the character of Li Hong, the author has gone to great lengths. In the play, Li is not a person who depends on lying to make a living; nor is he heart and soul committed to wishing harm on other people. His quick wit in making appropriate replies to the emperor helps to save other people from misfortune. But when facing imminent danger and in order to save himself, he becomes spineless. He steadfastly holds on to the creed of "not being serious." This refers to not being serious about matters in general, but definitely being extremely serious concerning one's own destiny. His greatest asset is the ability to adjust himself to the trend of an event. Indeed, he is really superb in following the emperor's wishes. No wonder the emperor feels that Li is indispensable while the emperor is still living and also will be badly needed after the emperor's death, and even accorded with the honor of "being buried in the imperial tombs." As for the outspoken imperial physician Hu, he luckily escapes the death penalty, but is still forced to go into retirement, though suitably compensated with a bag of gold.

In real life, we have often heard of people like the emperor who, though aware of his own fault, is still adamant and refuses to rectify it but persists in persecuting those people who dare to tell the truth, thus hoping to cover up the facts. If speaking the truth is a crime, it will compel people wishing to speak the truth to refrain from saying anything at all and turn to lying altogether. Cases are not rare in which, in certain government departments and at certain times, the practice of telling lies is rampant. This situation reminds us of Anderson's story of the emperor's new clothes. Nobody thinks the emperor is strange. Similarly, in a world of lies, people accustomed to telling the truth would be considered to be "extraordinary." If those in charge in a department are people for whom telling the truth is a taboo, then this department can never function well. People in the department will take the opportunity to create fabrications and make false reports

in order to earn the title of being "advanced" and thus to climb the ladder of promotion. But the work of the party will be damaged and the populace will suffer. How can we then prevent our enterprise from taking a zigzag course? Fortunately, history is forever advancing. Lies are bound to be overthrown by facts. As we have seen, people who had deceived the world with falsehood have ultimately become the prodigal sons of the revolutionary enterprise and cannot avoid the destiny of being utter failures. On the other hand, as for people who, under whatever conditions, dare to tell the truth for truth's sake and for the people's interests, especially those who, though facing death, still dare to do so, they, and only they, are the backbone elements of our country and people.

The "Pregnancy Case" provokes people's deep thought. By means of this story, we can have a taste of life and come to understand the soul of each type of person in life as well as to purify our own soul. This fabricated story of the olden times has brought up a real problem: Should we insist on listening to the truth and refuse to listen to lies? Should we insist on telling the truth and refuse to tell lies? At times and in places where lying is rampant, can our spine be as straight as usual? As we have destroyed the despicable "nation of lies," so we must consciously use each and every action and spend each and every drop of blood and sweat to construct a true, perfect, and beautiful world.

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LET PHILOSOPHY BRING A RADIANCE TO LIFE--COMMENTING ON 'THE STUDY OF TIME IN LIFE'

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[Book review by Feng Qi [7458 1148] and Chen Weiping [7115 5898 1627]; "The Study of Time in Life" was published by Jiangsu Province KEXUE JISHU CHUBANSHE in July 1985]

[Text] From ancient times, people have deeply understood the value of time in life. However, very few people have seriously pondered the philosophy of time and most feel that the abstruse theories of time put forward by philosophical masters are too far removed from their own lives. "The Study of Time in Life" written by Jin Zhe [6855 0772] and Chen Xiejun [7115 3610 0689] develops philosophical theories in respect of the phenomena of time to which people have turned a blind eye, and also fits these theories into active life. This book leaves us with a distinct overall impression: Philosophy brings a radiance to life.

Following the development of modern science and modern society, it is very necessary to take time theory as an important specialized topic for research in both philosophy and science. For us, this is a new subject. "The Study of Time in Life" carries out initial research on this new subject. Under the guidance of the Marxist viewpoint of time, it strives to explore the general laws in respect to the structure, form, characteristics, calculation, management, and use of time. It takes a quite fresh time theory and puts it into a life with which readers are very familiar, and extends new principles about time into various aspects of social life. For example, starting from the ebb and flow of the tides which people often see, the authors proceed to discuss the question of time cycles. Thus when they introduce new terms such as rate of cyclical growth and shrinkage, the law of cyclical centralization, the law of cyclical phases, and the law of cyclical recurrence, the readers do not feel they are uninteresting and abstruse, but feel that they have been introduced to complex matters through simple terms and very naturally.

The reason this book is able to get philosophy to bring a radiance to life lies in the fact that it pays great attention to the use of theory in the domain of the masses. The authors introduce and put forward various scientific strategies for using time and tell people that there is much scope for using time studies in a great number of areas. In "Saving Time Through

Enterprise Time Management" enterprise managers are able to find methods by which to scientifically arrange their time. From "Channelling Ecological Time Into the 'Radius of Understanding'" ecological researchers can come to comprehend and master the great importance of the time sequence of the food chain in actual life. Technological workers can also obtain great enlightenment in terms of technological creativity from the research results of technological time fields such as "time control modes," "time leap modes," "time image modes," and "time retardation modes." Old people can learn from the book ways to extend life by guarding against illness in a timely way, seeking treatment at the right time, and taking medicines at the right times. Those self-studying adults whose memory has declined and who are worried about the fact will find that the book's "time-mark memory method," "periodic memory method," "beginning-to-end memory method," and "cyclical memory method" provide the "secrets" of improving their memory. When reading this section, everyone will feel that philosophical theory has great significance in life.

From the "opening melody"--"Song of Free Thoughts on Time"--to the final chapter "Unfinished Epilogue," "The Study of Time in Life" is permeated with a passionate love of life. It encourages people, especially the young to race with time on the road of life. Within the work there are songs which praise life and maxims stimulating people to struggle ahead. There are some beautifully written prose and some fascinating theoretical explanations. Throughout it is sensibly arranged and the style elicits the emotions, while it is also rich in philosophical language. With the stimulation of the authors, the reader unconsciously finds himself thinking about the significance of the philosophy of time in life.

The book has other superior points such as using a wider field of vision by collecting many materials ancient and new, Chinese and foreign, about time and presenting them in a novel and lively way. However, it must be recognized that making great breakthroughs in research into the theory of time is not an easy thing to do. In the history of philosophy and science, many great thinkers and scientists have done a great amount of hard thinking about time, but many problems impossible to completely resolve remain. The development of modern science and especially of modern physics has put forward new topics in the exploration of time theory. Thus, if one is to describe time theory systematically from a philosophical level, not only are abilities in philosophy required, but more importantly there is the need for a rich knowledge of modern science. We believe that Jin Zhe and Chen Xiejun will, on the basis of their initial research results, be able to progress to higher goals.

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