

SELECTED WORKS OF JIANG ZEMIN

Volume I

WORKERS OF ALL COUNTRIES, UNITE!



江澤民

SELECTED WORKS
OF
JIANG ZEMIN

Volume I

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Editors' Note to the Original Chinese Edition

The *Selected Works of Jiang Zemin*, Volume I contains the major writings of Comrade Jiang Zemin from August 21, 1980 through August 5, 1997 and includes 81 reports, speeches, talks, articles, letters, instructions, orders and messages, many of which appear here for the first time.

Minor corrections have been made to the previously published works in this volume. In addition, notes have been added at the end of a number of sections during editing to aid the reader.

The author has read and approved all the material appearing in this volume.

Editorial Committee for Party Literature,
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June 2006

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CREATE SPECIAL ECONOMIC ZONES TO ACCELERATE ECONOMIC DEVELOPMENT*

August 21, 1980

As entrusted by the State Council, I would now like to brief you about the creation of special economic zones (SEZs)[1] in Guangdong and Fujian provinces and the promulgation of the Regulations on Special Economic Zones in Guangdong Province.

1. Basis for creating SEZs and their nature

The Report on the Work of the Government passed at the Second Session of the Fifth National People's Congress (NPC) defined three tasks: continuing to excel at importing technology, making good use of foreign investment and vigorously expanding exports. To help us fulfill these tasks, and learning from the way a number of other developing countries have operated export and processing zones to accelerate their economic development, in July of last year we began preparations to designate certain areas of Shenzhen, Zhuhai and Shantou in Guangdong and Xiamen in Fujian as SEZs in order to develop economic cooperation and technological exchanges with foreign countries, expand export trade and promote socialist modernization. This work started first in Shenzhen.

This kind of SEZ takes into consideration the successes and common practices of a number of export and processing zones around the world, but also has uniquely Chinese characteristics. SEZs provide a special way under socialism to encourage and utilize foreign investment and accelerate economic development in specially designated areas. Guangdong and Fujian are both adjacent to Hong Kong and Macao and to Taiwan, and are the ancestral home of many of our compatriots in these regions as well as for many overseas Chinese. This renders them especially attractive to foreign and overseas Chinese investment, which in turn gives the designated

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* Explanation of the creation of special economic zones in Guangdong and Fujian provinces and the Regulations on Special Economic Zones in Guangdong Province submitted at the Fifteenth Meeting of the Standing Committee of the Fifth National People's Congress. Comrade Jiang Zemin gave this explanation when he was Vice Chairman and Secretary General of the State Administration Commission on Import and Export Affairs and the State Administration Commission on Foreign Investment.

areas in these two provinces unique and advantageous conditions for the establishment of SEZs.

SEZs shall adopt different systems of governance and implement more open policies than other areas of the country, and shall make best use of foreign capital and technology to develop industry, agriculture, animal husbandry, aquaculture, tourism, housing, high-tech research and manufacturing, and other fields. Because they have a wider scope than most export and processing zones and have comprehensive economies, we have called them SEZs in order to differentiate them.

There are now more than 70 export and processing zones in the world, most of which boast good economic benefits. The Shenzhen SEZ has progressed well since its inception, and its Shekou Industrial Zone has developed particularly fast and shows great prospects.

2.Basic principles for the organization and administration of SEZs

The administration of SEZs must uphold the sovereignty of the country. The land used for SEZs is owned by the People's Republic of China, and the activities of enterprises and individuals in SEZs must comply with the nation's laws, decrees and applicable regulations. Foreign investment in SEZs must undergo Chinese government approval procedures and be subject to Chinese government administration.

These two provinces have established SEZ administrative committees to exercise governmental power and conduct unified administration of the SEZs directly under the leadership of their respective provincial people's governments. The SEZs have instituted a dual customs policy that is domestically strict but more relaxed toward the outside world.

3.Policy of preferential treatment for enterprises in SEZs

The regulations on SEZs contain a number of preferential provisions. These provisions permit the establishment of wholly overseas-funded enterprises after they have duly undergone the stipulated approval procedures, allow foreign banks and insurance companies to establish branch offices, exempt imported and exported goods from customs duties and impose tax rates lower than those for Chinese-foreign joint ventures operating elsewhere on the Chinese mainland, and slightly lower than in Hong Kong and Macao. They also stipulate streamlined procedures for foreigners entering and leaving the country, thus facilitating their entry and exit, and appropriately easing controls over foreign exchange to allow the legitimate

after-tax profits of foreign businesses and the income of their foreign-national employees to be remitted abroad from banks within the SEZs. Rules governing fees for land-use rights and the time restrictions for enjoyment thereof for enterprises in the SEZs as specified in the regulations are more favorable than those for Chinese-foreign joint ventures in the interior.

These regulations take into consideration both China's interests and the interests of foreign investors, and compatriots from Hong Kong, Macao and Taiwan and overseas Chinese investing in SEZs. Their general objective is to make SEZs more attractive to foreign investment, attract advanced technology and managerial expertise, and accelerate the four modernizations — modernization of agriculture, industry, national defense, and science and technology.

4.Steps for creating SEZs

Creating SEZs involves a fierce economic and ideological struggle for which we lack experience, and at the same time, our domestic financial and material strength is currently limited. We therefore need to adopt an active yet prudent policy. We will first concentrate on successfully establishing the Shenzhen SEZ, then focus on the Zhuhai, Xiamen and Shantou SEZs. The administrative area of Shenzhen (formerly Bao'an County) contains a total area of 2,020 square kilometers, of which a narrow strip of land from Dameisha and Xiaomeisha to Futian and Shekou, consisting of 327.5 square kilometers, has been designated as an SEZ (mountainous terrain makes up 229.5 square kilometers of this area, providing an excellent natural barrier, and leaving 98 square kilometers of usable land). The administrative area of Zhuhai covers an area of 654 square kilometers, of which 6.8 square kilometers have been designated as an SEZ.[2] Xiamen Island contains 120 square kilometers, of which 2.5 square kilometers have been provisionally designated as an SEZ.[3] The process of planning and conducting feasibility studies for the Shantou SEZ is currently underway.

The creation of these four SEZs requires overall planning followed by step-by-step implementation. The ground has to be leveled and water pipelines, electricity lines, roads and communications infrastructure have to be readied to create excellent conditions to attract foreign capital. We need to demarcate the boundaries of the SEZs and install barriers around the borders, and then strictly supervise the borders. We need to ensure that investment projects accord with the requirements of the development plan, make full use of the existing foundation and start with projects that

require little capital, have rapid turnover and high returns, so that SEZs can become productive while still developing.

Because we lack experience with SEZs, a set of comprehensive regulations for them may not be generated all at once; therefore, the Regulations on Special Economic Zones in Guangdong Province, passed at the Fifth Guangdong Provincial People's Congress, are just the first step. The State Administration Commission on Import and Export Affairs invited comrades from relevant departments and Guangdong Province to participate in a number of research sessions to discuss these regulations and made necessary revisions before the State Council deliberated and passed them. You are now asked to examine and approve them.

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[1] The Central Committee of the Communist Party of China (CPC) and the State Council endorsed and released the Two Reports by the Guangdong and Fujian Provincial Committees of the CPC on Adopting Special Policies and Flexible Measures for Foreign Economic Activities in July 1979 and agreed to the creation of special export zones in Shenzhen, Zhuhai and Shantou in Guangdong and Xiamen in Fujian on a trial basis. The Central Committee and the State Council changed the term "special export zones" to "special economic zones" in the Official Comments on the Summarized Minutes of the Meetings of the Guangdong and Fujian Provincial Committees of the CPC in May 1980. In August of the same year, the Regulations on Special Economic Zones in Guangdong Province were approved at the Fifteenth Meeting of the Standing Committee of the Fifth NPC. Following this, these four SEZs were developed. A resolution was passed at the First Session of the Seventh NPC in April 1988 approving the designation of Hainan Island as the Hainan SEZ and allowing it to institute more flexible and open economic policies. China now has five SEZs.

[2] The State Council approved expansion of the area of the Zhuhai SEZ to 15.16 square kilometers on June 29, 1983, and approved further expansion to 121 square kilometers on April 5, 1988.

[3] The State Council approved redrawing of the boundaries of the Xiamen SEZ to include all of Xiamen and Gulangyu islands on June 29, 1985, bringing the total area of the SEZ to 131 square kilometers.

REVITALIZE THE ELECTRONICS INDUSTRY AND PROMOTE THE FOUR MODERNIZATIONS*

September 16, 1984

Faced with the challenges posed by the new technological revolution, people are paying great attention to the development of China's electronics industry. Most comrades advocate stressing the development and application of new technology in China, giving the electronics industry a leading position in modernization and adopting effective measures to accelerate its development. They believe that only in this way can we create and develop high-tech industries, apply advanced electronics technology to upgrade conventional industries, establish a material and technological foundation for our country's modernization, catch up with the scientific and technological level of advanced industrial countries, and create the conditions requisite for revitalizing the economy. Others, however, think that China's top priority should be to focus initially on developing traditional industries and waiting until they are functioning well to provide a foundation before we develop the electronics industry. Still others think that given our country's large population, pursuing automation will create employment problems, and so on. We believe that in these new circumstances in which the new technological revolution is taking off throughout the world, we need to deeply understand a statement made by the State Council in the Sixth Five-Year Plan [1980-85], "The electronics industry performs a vital function in modernization, and we should place great emphasis on its development and progressively apply electronics to every sector of the economy." In line with this spirit, we must also emphasize the development of the electronics industry.

Admittedly, our country's traditional industries are certainly not fully developed; their technological level is not very high, and energy and transportation are the weakest links in the four modernizations, so we should focus on these and accelerate their development. However, how can we improve traditional industries to strengthen the weak links? The key lies in relying on technological progress and placing traditional industries on an

* Excerpt from an article published in the journal Red *Flag,* No. 18, 1984, when Comrade Jiang Zemin was Minister of Electronics Industry.

advanced material and technological base. In some sense, the core of such a base is modern electronic science and technology. Energetically developing and applying electronic science and technology can provide advanced technical equipment for the development and technological upgrading of traditional industries and inject them with new production capacity, while at the same time enabling more efficient use of energy resources and reducing the pressure economic development puts on them. This is one effective way of overcoming shortages of energy and transportation. According to forecasts, the use of computers for automated monitoring and control in the electric power industry can reduce losses caused by power outages alone by more than two billion yuan annually. In 1980, China's thermal electricity generation was over 240 billion kilowatt-hours. If we had used advanced technology such as electronic controls to reach the advanced level achieved in foreign countries, this could have reduced coal consumption by 23 million tons. If electronic technology were used for automated control and economic management in production in the coal, petroleum and chemical industries, their productivity would be greatly increased. The experience of foreign countries suggests that if railroads universally adopted this technology to manage transport, shipping efficiency could be raised by 25-30%. Even if we are overestimating by 10%, we could still save a large number of freight cars, and we could ship an additional 200 million tons of goods and materials a year, bringing in more than one billion yuan in additional revenue for the railroads, with considerable additional social and economic benefits accruing from a more rapid turnover of goods and materials. If the machinery, light and textile industries used electronic technology, they could upgrade products and introduce new models more quickly, raise the technological level of production and effect major industrial restructuring. Therefore, in the process of modernization, the electronics industry requires traditional industries as a base, and the development and upgrading of traditional industries cannot dispense with the support of electronic technology. Accelerating the development of the electronics industry and rendering it suitably future-oriented accords with the law of economic development.

China is a country with a large population and vast labor resources; this provides good conditions for developing labor-intensive industries. However, we cannot ignore the necessity of automation just because of this. In China, the primary purpose of automation is not to replace human workers, but to raise product quality, productivity and increase economic benefits, and to expend the same amount of labor to create more

material wealth in order to satisfy the people's ever-increasing material and cultural needs. In addition, in our scientific experimentation and social production, there are many projects and tasks that people cannot do with their bare hands and can only be done with the help of modern electronic equipment. For example, the processing of vast quantities of data, the observation of micro-scale and cosmic-scale structures, control of production and monitoring of high-precision products, the guidance of strategic weapons, and the transmission and processing of large quantities of rapidly changing social data all depend on electronic equipment to meet the requirements of speed, precision and accuracy. Automation will reduce the workforce required for some production processes or positions, but displaced workers can be transferred to new jobs in new fields. After achieving a high level of automation, large numbers of workers may well be needed to monitor technical equipment; write programs; and provide maintenance, repair and support services. Automation can stimulate the transformation of the workforce from a reliance on physical to mental labor. The development of a number of new professions in the electronics field will provide new employment opportunities for even more people. For example, the rapid development of new professions like software engineering and information processing will require a large increase in the number of workers in the fields of software engineering, information processing and technical services.

Rigorously developing and extending the application of electronic technology will effectively promote development of socialist culture and ethics, and more quickly raise the scientific and cultural level of the whole country. The electronics industry can provide a great variety of advanced experimental scientific methods, educational facilities and publicity tools for scientific research, cultural education, and broadcasting and publicity work, and thus promote the spread of science, technology and culture, expand the scope of education and raise its quality. The electronics industry also supplies an ever-increasing array of household electronics to society, thereby gradually improving people's material and cultural standard of living.

At present, the prominent problems that China's electronics industry faces in its development are having a weak foundation and backward technology and lagging far behind the world-class level, all of which make it difficult for it to fulfill its heavy responsibilities in the four modernizations. Faced with the challenges of the new technological revolution and the urgent need for electronic technology in modernization, the electronics industry is in a key

period during which it needs to concentrate on accelerating development. However, the state's financial capabilities are currently limited, and the financial and material resources that can be devoted to developing the industry are few and scattered. The inspiration and stimulus that the new technological revolution provides have given localities and departments an unprecedented and valuable enthusiasm for the electronics industry, but without strong leadership, the problem of rushing headlong into indiscriminate development might arise. Further implementation of the opening up policy has given us more opportunities to import and use world-class technology and accelerate technological progress, but at the same time it subjects Chinese electronic products to intensified competition by products made abroad. At present, China's economic management system is beset by the problems of lack of separation between government administration and enterprise management, and disconnection between higher and lower levels, and between different departments or regions; these are detrimental to the overall planning and balanced development of the country's electronics industry and make it difficult for enterprises to take initiative. In light of these factors, if we wish to accelerate the development *of* our electronics industry, we must proceed *from* our country's actual conditions, draw on beneficial experience from abroad, adhere to reform, innovate boldly, and conscientiously solve the following several problems.

1. We need to effectively solve the problem of placing the electronics industry on a strategic footing and formulate corresponding policies and measures. The four modernizations assign the industry the important tasks of providing the army with modern electronic military equipment, providing all sectors of the economy with modern electronic equipment, and supplying the people with consumer electronics. As the new technological revolution progresses, the electronics industry will take on a greater role in developing the economy and promoting social progress. Therefore, I believe that, when considering economic development, we should accord the same importance to the electronics industry as we do to energy and transportation, give priority to fostering it, and accelerate its development. At the same time, we need to study the industry's development strategy and formulate corresponding policies and measures concerning such issues as investment; new technology and products R&D; importing technology; importing and exporting electronic products; the geographic distribution of production, electronics applications and equipment; and knowledge development. We need to put these specific

policies and measures into practice in our actual work.

2. We need to look at the country as a whole, draw up a comprehensive plan and strengthen management in the industry. The electronics industry is a high-tech, multifaceted industry, requiring the combined development of basic industries and products and whole systems, hardware and software, stand-alone equipment and engineering systems, and production and technical services. It also requires close interaction between scientific research and production, as well as coordination of production with market demand. China's electronics industry is in its nascent phase; all regions and departments are actively developing it, and the situation is very positive. It is worth noting, however, that everyone is scrambling to manufacture products such as color TV sets, radio/tape recorders and microcomputers that require little capital, generate quick returns and find a ready market, but there is a lack of enthusiasm for basic products and important projects that require large investment, are difficult to complete and have a limited range of applications. This may lead to imbalance within the industry. To guide the enthusiasm of all sides to achieve planned, proportional and sound development of the electronics industry, it is necessary to look at the country as a whole; draw up good plans for the industry, break through departmental and regional barriers in the context of an overall plan; organize electronics research, production, education and use nationwide, and divide the work rationally so that all sides have their own emphasis and everyone works in concert. On the basis of the guiding principles of emancipating our minds, seeking truth from facts, grounding ourselves in practice, and making steady progress, we need to carry out a systematic and thorough reform of the leadership and management system of the electronics industry, simplify administration and delegate power with the goal of separating government administration from enterprise management, take economic measures, and promote the reorganization and association of enterprises and economic and technological restructuring.

3. We need to implement the principle of pursuing limited objectives and focusing on key areas. There are numerous areas of electronic science and technology and branches of the electronics industry and the tasks of research, trial production and full production are onerous, but the country's financial and material resources are too limited for the many demands placed thereon. This circumstance requires us to stay grounded in reality, act within our capabilities and focus on key areas. This means we need to determine limited objectives for each stage of development, concentrate on

the most important products and the most crucial technologies, promote the overall situation with breakthroughs in key areas, and obtain the best possible benefits from limited investment. In our strategic arrangements for developing the electronics industry, in the short and medium term, we should concentrate on developing microelectronics and microcomputers to establish a microelectronics foundation during the Seventh Five-Year Plan period [1986-90], in order to accelerate the development of electronic military equipment, computers, communications equipment and other important capital goods; accelerate the shift to a foundation of microelectronics in these goods; and coordinate the comprehensive development of the electronics industry on a new technological foundation.

To focus our energy on ensuring that the most important tasks get done, it is necessary to correctly balance centralization and decentralization. Research and production of products such as large-scale integrated circuits and computers, which are highly technology- and capital-intensive, need to be concentrated in areas that have abundant research, education and production capabilities, as well as superior resources and natural environments. We need to establish major centers and implement intensive production there, and we should develop extensive applications for these products. Production facilities for other electronic products whose technology is easy to master and that have wide application, such as consumer electronics, can be relatively dispersed, but the industries require overall planning and the work needs to be distributed reasonably on the basis of consumer demand and the quality of the enterprises, with the focus on helping enterprises with outstanding name-brand products to expand production. In this area, planning and guidance need to be combined with competition.

4. We need to further implement the opening up policy and actively import and exploit the fruits of the world's advanced science and technology. Modern electronic science and technology are undergoing great changes and progressing rapidly. To reduce the gap between where we are and the world-class level, we need to boldly scale the heights of science and technology and adopt a step-by-step development strategy to achieve different development objectives at various stages within a specified time period in order to maintain relatively stable development. In these new circumstances in which the state is further implementing the opening up policy, we need to further expand economic and technological exchanges with foreign partners and adopt a variety of measures and approaches, such as linking trade

with both technology and industry, import and adopt world-class technology and modern management methods, strive to leapfrog some traditional development stages of electronic technology and accelerate technological progress. In some areas and for some projects, we can adopt a reverse development model, in which we first import whole equipment or components and assemble these into products which we badly need but currently cannot produce on our own, and begin by developing applications and providing technical services, then digest and absorb the technology and make improvements and innovations, and finally gradually become able to produce the products on our own and thus raise our level of self-reliance. We need to let open coastal cities and SEZs fully serve as conduits for foreign economic and technological exchanges, and at the same time give a number of well-chosen key enterprises more decision-making power in their foreign business activities in order to carry out foreign economic and technological exchanges and cooperation more effectively. Because further opening to the outside world will intensify competition from foreign electronic products, we should formulate interim policies for electronic technology and equipment for each stage and appropriately protectionist policies for domestically produced electronic products to facilitate the sound development of our national electronics industry.

In addition, we need to devote attention to developing intellectual resources and training personnel effectively. We need to strengthen and improve management of the scientific and technological workforce, continue to implement our policy on intellectuals well, make good use of skilled talent, and get the scientists and engineers we already have to fully play their role.

We also need to focus on developing new materials to provide a material basis for expanding the electronics industry. From now on, we should emphasize development of single crystal silicon wafers with a large diameter, high purity, and high integrity together with other supplementary materials; promote the industrialized production of gallium arsenide and other semiconductor compounds; and accelerate R&D on information recording materials, specialized production of sensitive materials, and development of fiber optics and fiber optic components and products.

We believe that with the attention and concern of the Party and the state, the full cooperation of all regions and departments, and the implementation of correct development strategies and policies, our country's electronics industry can surely be invigorated, develop and make its proper contribution to the four modernizations.

THE PEOPLE'S GOVERNMENT MUST ACHIEVE PRACTICAL RESULTS FOR THE PEOPLE*

January 12, 1987

Shanghai is one of China's most important industrial centers and its largest international port city and economic center. Since liberation, Shanghai has made a tremendous contribution to socialist construction throughout the country. It generated 10% of the country's gross industrial output value and one seventh of the country's revenues in 1985. Its overall labor productivity, per capita taxes and profits paid to the government, per capita net industrial output value, earnings and taxes per unit of capital, and other important economic indicators all rank first in the country. All these achievements have been made under the leadership of the Central Committee and the State Council, with the vigorous support of sister provinces, autonomous regions and municipalities directly under the central government throughout the country, and through the united efforts of all the people of Shanghai.

However, Shanghai still has many worrisome problems. For various reasons, it has long overemphasized its role as an industrial center and overlooked promoting municipal development, improving the living environment of its people and elevating their standard of living, thus leaving the city with a very weak infrastructure and with many improvements long overdue. For example, housing conditions for Shanghai's workers are very poor, and there are 469,000 families with housing difficulties (and approximately 80,000 with severe difficulties) such as less than three square meters of living space per person, three generations living together or two couples sharing one room. Families in these circumstances comprise 23.8% of the city's 1.97 million households, and there are approximately another 50,000 families residing in temporary housing until proper housing arrangements can be made. In addition, traffic congestion is bad: vehicles can only drive

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15 kilometers per hour on average in the city center, and traffic frequently comes to a standstill. Furthermore, environmental pollution is severe: the period when the Huangpu and Suzhou rivers are black and foul-smelling grows longer year by year; industries are poorly distributed, with factory buildings and residential compounds mingled; noise and exhaust fumes impact people's leisure and their physical and mental health; and the list goes on. The fact that these problems exist and are becoming worse day by day creates a series of difficulties and obstacles to improving the people's living environment and developing the city's economy. Shanghai is a world-famous city, and the Central Committee wants to make it the largest economic and trade center on the western Pacific Rim. The present state of affairs is entirely unsuitable for achieving this goal.

Accelerating municipal infrastructure development, changing the face of Shanghai and improving its residents' living environment as soon as possible, and turning this serious situation around quickly are enormous, pressing and difficult tasks that the city's residents ardently hope are accomplished. The people's government should take completing these tasks as its sacred mission. As Mayor of Shanghai, I regard them as my bounden duty.

Municipal development is a very complex systems engineering project. The development of the city's economy, science, education, culture, and health as well as all kinds of social services facilities all need to be carried out in an orderly and planned fashion. Ensuring that all these needs are met and that their progress is coordinated requires scientific planning. Under the guidance of the Municipal Party Committee, we have reviewed the lessons from past experience; acted in accordance with the general principle for construction and development in Shanghai which requires the city become an open, multipurpose, comprehensive base; and finally formulated the Shanghai Municipal Master Plan on the basis of repeated debates and revisions.[1] With the concern of the leaders of the Central Committee and the State Council, and after a discussion of this issue by the Secretariat of the Central Committee, the State Council formally approved this plan in October 1986. The plan sets forth its guiding principles and primary content and emphasizes that its focus is on strengthening municipal infrastructure. This is because municipal infrastructure forms the basis and prerequisite for transforming and reinvigorating Shanghai. Without solving this problem, it would be impossible to attract foreign investment and improve the quality of people's lives. Accordingly, the municipal government decided to make reinforcing the city's infrastructure and improving the in-

vestment and residents' living environments one of the three main tasks of the Seventh Five-Year Plan period.[2]

However, because Shanghai's infrastructure is very weak at present with many improvements long overdue and our country's financial and material resources are deficient, it would be impossible to clear up the backlog of infrastructure work and completely renovate the city in a short period of time. According to calculations by relevant departments, it would take the huge sum of tens of billions of yuan to lift infrastructure up to minimum standards. On the basis of Shanghai's present financial strength, it would take several decades to solve this problem. In order to solve the problem of insufficient funds for municipal development, the Municipal Party Committee and the municipal government have conducted a number of studies and proposed accelerating Shanghai's infrastructure development by attracting foreign capital to compensate for the shortage of domestic funds. The Central Committee and State Council have endorsed and supported this proposal and also given Shanghai special policy consideration to enable its municipal development to move forward. Presently, we are preparing to allocate foreign investment to initiate five large projects: construction of the Huangpu River Bridge and the No. 1 Subway Line, expansion of the terminal at Hongqiao Airport, and the city's communications facilities, and the combined sewage control project.

Implementation of the Shanghai Municipal Master Plan requires not only money but also time, but the practical difficulties constantly encountered by the people urgently need to be resolved. Our hearts are deeply disturbed when we see how intolerably crowded buses and bus stops are, when we see the anguish on the faces of young parents over the dilapidated and even downright dangerous classrooms in their children's schools and the difficulty tens of thousands of them have finding daycare for their children, when we realize that some pregnant women have miscarriages because they have to commute to work on jam-packed buses, and that 20,000 people have daily commutes longer than four hours, and when we see 110,000 homes flooded by a single heavy rain. The people are masters of our country, and we are their public servants and have the responsibility to relieve them of their concerns. Therefore, before the plan was approved, we decided that, given the country's limited financial strength, we needed to adopt a realistic attitude and find ways every year to effectively obtain visible, tangible solutions to problems of immediate concern to the people. The municipal government's Research Office,

after conducting investigations and studies and widely soliciting opinions, formulated a tentative plan for the government to achieve practical results for the people in 1986. This plan laid the foundation for determining the scope and content of what was to be done. When the municipal government made its final decision on the plan, it emphasized the need to correctly manage the following relationships.

First, the relationship between treating the symptoms and treating the causes. We need to resolve immediate difficulties, look at long-term benefits, keep an eye to the future while acting in the present, and choose appropriate short-term goals with a strategic view.

Second, the relationship between the interests of the part and those of the whole. To handle matters well, we need to give the green light to and prioritize the use of needed human, material and financial resources and organically integrate all our projects in order to achieve balanced development.

Third, the relationship between quantity and quality. In achieving practical results for the people, we need to focus on key areas. We need to both do everything we can and be careful we do not stretch ourselves too thin, given our limited financial and material resources, in order to ensure construction and project quality. We need to maintain high standards and strict requirements so that achieving our objectives requires strenuous effort, yet also stay grounded in reality, allow ourselves leeway, and measure our strength before we act.

Fourth, the relationship between acting on principle and being flexible. We need to adjust the scale of our activities to the constraints of the municipal plan, and we may not arbitrarily exceed the scale of investment fixed by the state. We also need to be realistic and allow for some adjustments to be made to the details and the scheduling.

After conscientious study at mayoral working conferences and by the Standing Committee of the CPC Municipal Committee, it was formally decided that the municipal government would undertake 15 projects for the people's benefit in 1986, whose main work involved improving city traffic, increasing the housing supply, improving water drainage and flood prevention infrastructure, comprehensively bettering the environment, expanding cultural and health facilities, providing more non-staple foods, implementing the two changes for employees,[3] providing more coal gas and coal products to city residents, and improving drinking-water quality in villages.

The municipal government focused on four aspects of these projects in the process of their implementation.

1. We clarified the responsibility system. The 15 projects involved a great deal of work spread out over a wide area with the direct participation of 35 departments. We required all relevant departments to establish a clear responsibility system and to place one person in charge of each project. When a project involved several departments, they needed to take the initiative to coordinate their work, and wrangling, foot-dragging or irresponsibility were not permitted to occur in order to ensure that the project was completed on time and met qualitative and quantitative specifications. In addition, we submitted the plan for the 15 projects to the Fifth Session of the Eighth Municipal People's Congress for the deputies to deliberate and approve to facilitate the people's oversight of the work. We did this in order to help leading cadres at all levels gain a clear understanding of their responsibilities and take the initiative to accomplish practical results on behalf of the people, create a culture from top to bottom oriented toward accomplishing something for the people, and stimulate the enthusiasm of cadres and the masses for achieving practical results.

1. We emphasized quality and staying on schedule. All the 15 projects directly affected the vital interests of the more than 12 million city residents, and thus needed to be done conscientiously and rapidly. The General Office of the municipal government posted a monthly schedule for these projects in its office to give us an up-to-date understanding of the overall state of progress. We required leading cadres to set a personal example by going to worksites to carry out investigations and studies, understand the situation and solve problems, and at the same time to convey the Party and government's solicitude to the workers and cadres working on the frontline. This is part and parcel of a work style of being grounded in reality and maintaining close ties with the masses, which we have constantly encouraged cadres to cultivate. In the course of completing these projects, many cadres visited worksites, solved problems, improved efficiency and accelerated the pace of the overall projects.

1. We did organization and coordination work promptly. The 15 projects all had an impact on the overall situation, and a number of specific problems inevitably arose in the implementation process, and if matters were not promptly organized and coordinated, the completion of the projects would have been delayed. In addition to holding mayoral working conferences and a number of other meetings to resolve specific issues, the municipal government held meetings for leaders of bodies responsible for or involved in the various projects to delve into each project by turn, and

when problems or difficulties were identified, they were solved at these meetings whenever possible. When problems were not susceptible to resolution at such meetings, time limits were set for coordinating their solutions. For example, in the project to widen the Dongchang Road-Dongmen Road Ferry Line into a two-way navigable channel, the work on the water channels along both shores and the approaches to the piers had all been completed, but the problem of locating a lot of over 100 square meters to build a warehouse remained unresolved, delaying completion of the entire project. At a municipal government meeting to coordinate the 15 projects, the actions of the few bodies that ignored overall interests were severely criticized, with the result that a problem that had gone unresolved for more than four months was quickly cleared up within three days. Another case in point: the delay in installing electric power lines caused by the incorrect placement of the water main along Dongtang Road was settled in a similar fashion. There were a number of problems arising from objective circumstances that could not be solved solely through our own efforts, and realistic adjustments were accordingly made to deal with them. For example, the Municipal Telephone Bureau imported a 32,000-phone program-controlled system from the Bell Telephone Company of Belgium, but the equipment arrived late and was of poor quality, making it impossible to complete the project on time. In general, timely coordination work ensured that the work on the 15 projects was done well step by step according to plan.

4. We held competitions in meritorious contributions to key projects. Many of the 15 projects were pivotal ones, such as rebuilding Hongqiao Road, completing the public facilities in 16 neighborhoods, and building the country's largest coal gas plant in Pudong. These projects are very important and have a direct bearing on the national economy and the people's lives and on achieving the four modernizations. Throughout the course of the projects, we informed the masses about their significance; and we publicized the heroic achievements of the construction workers laboring on the projects; the difficulty and progress of the projects; and the support of sister provinces, autonomous regions and municipalities directly under the central government, agencies of the central leadership in Shanghai, and all the country's people, in order to arouse the enthusiasm of the entire society. At the same time, we held many competitions in meritorious contributions to key projects to get cadres and construction workers working on the 15 projects to feel proud of themselves. Statistics reveal that approximately 140,000 workers from 300 bodies participated in more than 150 separate

competitions. These merit competitions took various forms based on diverse goals, and they succeeded in genuinely putting the goals and measures into practice. In these competitions, many advanced individuals and deeds came to the fore: some people worked nonstop for several days and nights; some worked in heavy rain with floodwaters up to their knees; some continued working while they were sick; and others even sacrificed their lives. Not only were the competitions lively and varied in form, but more important, they were effective in spurring progress on all the projects.

Through the combined efforts of all the city's people, the 15 projects proceeded smoothly. The pumping stations and main pipes of the Tianlin, Yichuan, Kongjiang and Hongzhen water drainage systems were substantially completed before the flood season, and were put to good use during this summer's rainy season to the satisfaction of city residents. The Shangchuan Road-Dinghai Bridge, Zhoujiadu Road-Nanjiang Road and Dongchang Road-Dongmen Road ferry lines have already been put into operation, partially relieving the difficulty of crossing the river. The plan for connecting more homes to municipal coal gas mains and liquefied gas lines has been exceeded, and there is a regular supply of coal products. Daycare and preschool enrollment of children already exceeds the target goals. The project to renovate dangerous classrooms and other structures in primary schools has been completed. The number of people benefiting from the two changes for employees has exceeded the target. Work was completed early on women-and-children-only rush-hour bus lines; urban tree planting; Yichuan, Forest and Songhe parks; and the Hubei Movie Theater. The project of widening some roads and building new ones has already been completed.

What is the Shanghai people's judgment of the 15 projects undertaken by the municipal government in 1986? What specific demands do they have for 1987? Not long ago, the municipal government conducted a sample survey of 10,000 households and a questionnaire survey of 2,000 households. These surveys reveal that the people want the government to do more for them and do it better. On the questionnaires, a respondent wrote, "The people need the government to keep their interests at heart and achieve practical results; this is the people's most pressing demand." Another wrote, "We hope the government keeps working like this for many years to come." We think that a people's government should do good work like this for the people. The municipal government will continue to work hard for all the people of the city in 1987, focusing on building new

housing, improving traffic, connecting more homes to coal gas mains, carrying out comprehensive environmental improvements and organizing the supply of non-staple foods. In 1987 the people of Shanghai will see a number of large municipal projects that have been under construction for several years finally completed and put into operation. These include a new train station, the long-distance telephone project in the telecommunications building, the first phase of the Huangpu River Upper Reaches Diversion Project, and the first phase of the Pudong Coal Gas Plant. We will also break ground and start work on a number of other major projects.

We believe that if all the city's people work together unflaggingly on one project after another over the years, the face of Shanghai and the people's living environment and quality of life will progressively improve and the blueprint for development that the Central Committee and State Council have drawn up for us will surely become a reality.

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[1] The Shanghai Municipal People's Government submitted the Shanghai Municipal Master Plan to the State Council on February 9, 1984. Afterwards, the CPC Shanghai Municipal Committee and the Shanghai Municipal People's Government made a number of revisions and supplementary explanations concerning the guiding principles for drawing up the master plan; the city's nature, scale and development orientation; and the layout of the plan on the basis of the Summary Report on Shanghai's Economic Development Strategy, approved by the State Council on February 8, 1985, and the Proposal for Formulating the Seventh Five-Year Plan for Shanghai Municipal Economic and Social Development [1986-90], passed at the Fifth CPC Shanghai Municipal Congress on March 6, 1986. The city submitted the Summary Report on the Shanghai Municipal Master Plan to the Central Committee and State Council on April 2, 1986. The State Council formally approved the master plan on October 13, 1986.

[2] In March 1986, the Fifth CPC Shanghai Municipal Congress set forth three major tasks that must be accomplished to make Shanghai an open, multipurpose, highly civilized, modern socialist city: strengthen the city's infrastructure, actively use foreign capital and generate more foreign exchange through exports, and accelerate scientific and technological progress and personnel training.

[3] These two changes are to help employees change jobs or change housing to reduce the distance they have to commute to work. On August 20, 1985 the Shanghai Municipal People's Government endorsed and transmitted the Request for Instructions Concerning Initiating the Two Changes to Resolve the Difficulties Employees Have in Commuting to Work that had been submitted to it by the Municipal Federation of Trade Unions, the Municipal Economic Commission, the Municipal Labor Bureau, the Municipal Personnel Bureau and the Municipal Public Utilities Bureau. It held a meeting for administrative heads and trade union leaders of all the city's districts, counties and bureaus on September 18 to make arrangements. In 1986, the Shanghai Municipal People's Government placed the two changes on the list of 15 projects for improving people's lives. This work had a positive effect on ameliorating traffic congestion in the city and making people's work and lives more convenient.

THEORETICAL WORK NEEDS TO BE ORIENTED TOWARD REALITY*

March 10, 1988

Today we are holding a forum on Shanghai's theoretical work. This is another important conference following the forum on literary and artistic creation in Shanghai. This forum is a practical response to the Central Committee's call to give the Party's theoretical development an important place on the agendas of our Municipal Party Committee and Party committees at other levels. The purpose of this conference is to further emancipate our minds, stimulate the initiative and creativity of comrades engaged in theoretical work, use our heads, inspire explorations, and make full use of Shanghai's theoreticians in all fields to promote revitalization of the city.

There are three issues I wish to discuss today.

I. Reform, Opening Up and Modernization Require Theoretical Guidance

The breadth and depth of the changes to society brought about by reform of the socialist system are nothing short of revolutionary. Our experience has already confirmed that when we put reform at the center of all our undertakings, then in the sphere of economic activities, micro-flexibility and macro-control stimulate each other, the pace and benefits of growth become integrated, and stability and development stimulate each other. Reform and development can never do without theoretical guidance because theory and practice are intimately bound up together: theory derives from practice and is a crystallization of and guide to it.

Our Party understands the importance of theoretical work and values it highly. A review of the Party's positive and negative experiences in leading China's revolution and construction leads to the conclusion that whenever our minds were relatively emancipated and we made important theoretical breakthroughs, our cause was full of vitality and we marched from victory

* Excerpt from the speech "Further Emancipate Our Minds, Face Facts and Create a New Situation in Shanghai's Theoretical Work" Comrade Jiang Zemin gave at a forum on Shanghai's theoretical work when he was a member of the Political Bureau of the Central Committee and Secretary of the CPC Shanghai Municipal Committee.

to victory. Conversely, whenever our ideological line was incorrect and we made major theoretical mistakes, our cause suffered setbacks.

The political report of the Thirteenth National Party Congress notes that Marxism has been integrated with our country's practice for more than 60 years. During this time there were two historic leaps. The first took place during the new-democratic revolution. The second took place after the Third Plenary Session of the Eleventh Central Committee. Comrade Deng Xiaoping first proclaimed the fundamental slogan, "Emancipate the mind, use our heads, seek truth from facts, and unite as one in looking to the future"[1] based on a review of both the positive and negative experiences gleaned in the more than 30 years since the founding of the People's Republic, and a study of international experience and the world situation as a whole. Thereafter, our Party launched a nationwide debate on whether practice should be the sole criterion for testing truth; broke the spiritual shackles of the "two whatevers,"[2] giving a new freedom of thought to all Party members and the Chinese people; and found within practice a means of building socialism with Chinese characteristics, thus ushering in a new period of socialist construction. Theoreticians in Shanghai, like their colleagues throughout the country, made their contribution to the second leap in the integration of Marxism with Chinese practice. Their most significant contributions have assumed the following four forms. First, they carried out thoroughgoing theoretical reform and promoted rectification of the Party's guiding ideology and practical work. Second, they innovatively broke new theoretical ground, which has enabled reform and opening up to constantly make substantive progress. Third, they contributed to research into strategies and policies for promoting material, cultural and ethical progress. Fourth, they made groundbreaking contributions to basic theory and the development of various fields of study.

The important ways in which theoretical work has contributed to reform and opening up, as described above, make it abundantly clear that Shanghai's theoreticians — including people engaged in research, teaching and publicity — are a strong, vigorous and militant group, and one that is trustworthy and loyal to the Party's cause. Furthermore, Shanghai's theoreticians span the whole range of disciplines, have broad knowledge, are quick-witted, and have good relations with the city's Party and government leaders. This provides a sound foundation for collaboration among theoreticians and leaders. Of course, theoreticians should clearly recognize their own shortcomings, the most important of which is that theory does

not sufficiently play its role as a guide to practice and usually lags behind it. In short, to further improve Shanghai's theoretical work, our theoretical departments and our Party and government leaders at all levels need to further emancipate their minds, persevere in administering affairs on the basis of objective laws, respect theory and theoreticians, and genuinely put our leadership work on a scientific foundation.

II. The Serious Challenges Currently Confronting Theoretical Work

At a working conference of the Central Committee on the eve of the Third Plenary Session of the Eleventh Central Committee, Comrade Deng pointed out, "In order to look forward, we must study the new situation and tackle the new problems in good time; otherwise there can be no smooth progress. In many fields, new situations and problems demand attention."[3]

What are the serious challenges currently confronting theoretical work? I believe that as we implement the Party's basic line of "one central task, two basic points" during the primary stage of socialism, there are two main issues confronting Shanghai.

The first issue is that of deepening and improving the theory of the primary stage of socialism. At present, this is our most important theoretical task.

The most important theoretical contribution of the Thirteenth Congress was the explication of the theory of the primary stage of socialism. This theory is an important and basic component of the general theory of building socialism with Chinese characteristics. It derives from the reestablishment of the ideological line of emancipating our minds and seeking truth from facts at the Third Plenary Session of the Eleventh Central Committee, investigation of national conditions and the quest for a Chinese path to modernization, restoration of order from chaos, a review of the lessons of history, and the comprehensive reform and the search for the most fundamental theoretical underpinnings. The people's ready acceptance of the theory of the primary stage of socialism demonstrates its vitality, but definitely does not mean that research on this issue has been completed. Even though this theory has been propounded, our knowledge of China's actual circumstances in the primary stage of socialism, the various kinds of conflicts that occur in this stage and the laws governing their

evolution, and specific laws regulating the various aspects of modernization is presently insufficient and superficial. This state of affairs requires us to stick closely to experiences arising in the course of modernization, reform and opening up and developments in the new technological revolution; analyze new situations; study new conflicts; and carry out long-term, untiring, high-quality, in-depth research. In this area, we need to eliminate taboos and work more boldly. We need to undertake groundbreaking research and shift from consciously or unconsciously grounding our theory in models drawn from books or foreign sources to basing our research on conditions in China and Shanghai. We need to shift our focus from describing reality to solving real problems. We also need to ground our work in the reality of reform and opening up, exhaustively exploit resources, unleash the dynamism and effectiveness of the social sciences, and provide future-oriented guidance for the practice of reform.

To assist you in this research, I note here a number of practical problems I have encountered in my work, both for your reference and to solicit your advice.

I would like to discuss and explore with you the following problems concerning economic development in the primary stage of socialism.

Number one, in developing a socialist commodity economy, how can we combine adhering to the Party's fine traditions with managing affairs in accordance with economic law, and correctly understand and solve problems concerning Party members' conduct? I believe that we still need to adhere to the numerous fine traditions of our Party and nurture them in the new situation of developing a socialist commodity economy. These traditions include the principle of "from the masses, to the masses," gathering ideas from the masses and making sure that they hold fast to these ideas, the democratic procedures of cadres, and the practice of criticism and self-criticism. We should adapt to the new circumstances and not cling to viewpoints and practices that are ill-suited to the new situation. However, we must also consider the issues of what the policy allows and what the people can tolerate. Our general requirements are that the economy needs to thrive and that Party and government agencies need to be clean. This is also an important ingredient in political restructuring. The problem is: in dealing with specific issues in practice, how should we manage the relationship between these two requirements and how should we theoretically clarify this relationship? I would like for everyone to study these issues together.

Number two concerns ownership: what is the proper way to balance revitalizing state-owned enterprises (SOEs) and developing township and village enterprises? SOEs are the backbone of the socialist economy. Shanghai has 343 large and medium-sized SOEs, and they generate 67% of the city's gross annual industrial output value. However, in the current phase of economic development, they generally lack vitality, and the continued existence of some of them is in jeopardy. The question of what measures we can adopt to revitalize them brings up the theoretical issue of ownership.

Number three, in the primary stage of socialism, many economic sectors coexist, and we must find a way to implement the principle of distribution according to work and coordinate interest groups when considering methods and policies for distributing income. At present, how to maintain the enthusiasm of the working class, which is our mainstay, is a huge problem. How should we rationally adjust the distribution of income among members of society to achieve social equality while at the same time increasing productivity? Of course there are many other issues, perhaps even more important ones, deserving our study.

I would also like to raise a number of practical questions for your reference that I encountered in my work involving the theory of Party building in the primary stage of socialism. For example: In the process of socialist modernization, how should we go about Party building, including how to balance rectifying Party conduct and invigorating the economy, and how to preserve the Party's fine traditions under the conditions of developing the socialist commodity economy? What standpoint should we adopt in dealing with the issue of competitiveness and Party members' Party spirit, and does the nature of this Party spirit vary with the times? How should we judge the advanced nature of Party members in this new period, and can they be allowed to prosper first? These questions all have an intimate relation to Party building in this new period, and thus cannot be avoided.

The issue of building democracy in the primary stage of socialism deserves careful study. For example: How should we balance democracy and productivity when our country is in the primary stage of socialism? What intrinsic relationship is there between building democracy and developing a commodity economy?

Questions concerning culture and education in the primary stage of socialism are equally worthy of study. For example: Given that we are vigorously developing a socialist commodity economy, what guiding ideology

should we follow in teaching our youth and what educational goals should we set for them? And the list goes on.

In short, undertaking broad theoretical research into the primary stage of socialism, grounded on our country's actual situation and using the productive forces as a yardstick of value, is a transformation in research practices. Moreover, comprehensive research in numerous academic fields will stimulate theory to flourish and develop in a number of ways. I hope those of you who are theoreticians in Shanghai will rouse yourselves, devote yourselves to research into the primary stage of socialism, and integrate theory with reality. If you clarify more problems in this regard and your solutions become deeper and more universal, your successes will become ever greater.

The second issue is undertaking fruitful research into theory, strategy and policy, with the focus on deepening reform, opening up wider, and giving Shanghai's economy an outward orientation.

The political report of the Thirteenth Congress notes that today's world is an open world. We have already achieved great success in implementing the basic state policy of opening to the outside world. From now on, we must act ever more boldly on the world economic stage. Shortly after the Thirteenth Congress, the Central Committee propounded the strategy of accelerating the economic development of the coastal regions. This is not just a local strategy: it is a national one. Carrying out this strategy is an important link in completing the tasks of development and reform set forth at the Thirteenth Congress. This strategy enables us to use international markets to exchange needed goods and regulate supplies, follow a new path with a balanced economy, and change the old way of doing things, which depressed production of overproduced goods to keep pace with those in short supply. For the last two months, in accordance with Comrade Deng's directive to act boldly, pick up the pace and make sure we do not miss any opportunities with respect to the development strategy for the coastal regions,[4] we have been actively studying how to greatly increase imports and exports and thus more rapidly reorienting Shanghai's economy in an outward direction.

So, in giving Shanghai's economy an outward orientation, what are the pressing practical problems that urgently require the city's theoreticians to conscientiously study and help decision-making departments make resolute decisions about? On this matter, I would like to bring up a number of questions I have personally encountered in my work and seek

advice from all of you. I hope you will pool your wisdom and efforts, collect all your valuable ideas, and help us to change the situation of not being able to clarify principles or make correct decisions. I have the following issues particularly in mind.

First is the relationship between strengths and weaknesses. Shanghai, a large coastal city that epitomizes China's advanced productive forces, has many strengths in developing an outwardly oriented economy. For example, it has a good geographical location, a foreign trade port, an information hub, a complete range of industries, a strong scientific, technological and cultural base, and a relatively high-quality workforce. However, Shanghai also has a number of shortcomings, of which three are particularly prominent: 1) The ratio of SOEs is rather high, and most of them lack vitality. 2) Shanghai has long had in place a "rather effective" management system for the planned economy, perhaps the most comprehensive in all of China. In this kind of economic system, there are endless procedures required to import goods and countless checkpoints to go through to export them, and we are unable to practice many conventions followed in international competition. 3) In general, the level of internationalization of Shanghai's enterprises is very low, and as of now, no enterprise groups have been formed that are competitive in the international market. Our theoreticians need to devote themselves to studying and solving the problem of how to effectively overcome these shortcomings so that we can make the most of Shanghai's advantages.

Second is the relationship between labor-intensive and technology-intensive industries. Some people have proposed that Shanghai's outwardly oriented economy should differ from other coastal regions' economies, and that the development of labor-intensive and technology-intensive industries should be coordinated. I agree that they should be coordinated. Taking the present conditions as our starting point, we should focus on applying technology in township and village enterprises and in small and medium-sized enterprises, and produce large quantities of labor-intensive products and products that are both labor- and technology-intensive, and that require little time to produce, are readily produced under existing production conditions and yield quick returns, and export these on the international market. In the long term, we shall also need to strive to produce more high-tech products for export.

Third is the relationship between earning foreign exchange from trade and from other sources. In recent years, while Shanghai has increased its

foreign exchange earnings from trade, it has also made a good start in earning foreign exchange from invisible trade, i.e. non-trade sources. The issue of what principles and policies we should adopt in balancing earning foreign exchange from trade and from other sources requires research, and we need theoreticians to study and clarify it.

Fourth is the relationship between state-owned and non-state-owned foreign trade organizations. The experience of areas such as Guangdong Province in developing an outwardly oriented economy reveals that the production of labor-intensive products is a decentralized operation of producing a large variety of products in small lots. This type of business is hard for state or foreign trade organizations to operate in a unified way and requires a broad intermediary level. Many export companies in Shanghai complain that the biggest obstacle to foreign economic activities is an information shield and that foreign trade information is often monopolized by a number of foreign trade agencies. Solution to this problem should come through a reform of the foreign trade system by adopting comprehensive corrective measures. On the one hand, we need to develop a large number of privately run, foreign-trade intermediary companies and permit new commercial agents and middlemen to operate in the economic arena in order to eliminate monopolization of foreign trade by state-run institutions. On the other hand, we need to actively develop relations with foreign companies, including international financial groups, and create our own multinational companies, and then use their sales channels to expand our exports.

Fifth is the relationship between competing internationally and creating an operational mechanism for the planned commodity economy. To participate in the international flow of goods, we need to link domestic markets with international ones and make appropriate adjustments to organizations, production modes and business management models. We need to form an operational mechanism for the modern commodity economy that conforms with international norms, and is both vibrant and highly effective. With our present understanding, we cannot form a clear picture of what kind of mechanism this should be, how we should create it, or what international conventions and other specific content it should embody. I hope you theoreticians will carefully study this problem and find a scientific solution.

Sixth is the relationship between opening up both domestically and internationally. We advocate that along the coast "both ends reach outward,"[5]

but this is not absolute and we will still make use of appropriate materials from China's interior. Therefore, while developing its outwardly oriented economy, Shanghai needs to continue to strengthen its lateral links with the interior. It needs to fully radiate its influence both domestically and internationally. Shanghai cannot extend its international influence without increasing domestic contacts. It can constantly strengthen its ability to open international markets only if it allies itself more closely with sister provinces, autonomous regions and municipalities directly under the central government. It is quite possible that in the future this kind of situation will develop: Shanghai's opening to the outside world will principally take the form of supplying it with tangible products, and its opening to the interior will principally take the form of providing intangible products, that is, the transfer and spread of its technology, managerial expertise and production capability. Shanghai should appropriately balance opening up domestically and internationally, and find a good solution to the problem of balancing regional interests. In this area there are many issues that theoreticians should explore.

Seventh is the relationship between opening up economically and culturally. In developing an outwardly oriented economy, Shanghai will inevitably become much more open and increase its foreign contacts, and this will naturally give rise to issues of how to balance opening up economically and culturally, and how to make material progress and cultural and ethical progress simultaneously.

Eighth is the relationship between material and human factors. In developing an outwardly oriented economy, it is necessary to improve the investment environment, including infrastructure and other areas. These are material factors. Even more important are remolding people's characters and improving the cultural atmosphere. These are human factors. In the strategic shift to an outwardly oriented economy, it is an important task for theoreticians to address the issues of how to emphasize the human factors, remold people's characters, improve the cultural atmosphere, and help people create a new sense of values and standards of conduct and quickly adapt to a new life in an outwardly oriented economy.

Ninth is the relationship between strategic research and tactical action. In the past, we were in the habit of exerting ourselves in researching a complete set of strategies and then requesting the central leadership to adopt facilitating policies. We waited until these policies descended from above before we cautiously carried out our strategies. This practice lost us

a lot of opportunities. Therefore, what is now most important is not to sit down and talk, but to stand up and act. To develop an outwardly oriented economy, we need to act rapidly and decisively and adopt new measures.

Tenth is the relationship between developing an outwardly oriented economy and enacting related reforms. To accelerate the development of an outwardly oriented economy, we must implement related reforms in the foreign trade system, in coordinating science and technology with the economy, and in enterprise management, and quickly change rules and regulations incompatible with the requirements of such an economy. If we do not do this, the strategy of developing an outwardly oriented economy will come to nothing.

The issues mentioned above raise theoretical questions, but for the most part they are practical problems. Although they are practical problems, we can nevertheless elevate them to the level of theory to study them. At present, to develop an outwardly oriented economy, Shanghai particularly needs the guidance of original theory.

In short, the substance of research into both the theory of the primary stage of socialism and the strategy and policy for an outwardly oriented economy lies in giving us a new understanding of socialism, capitalism, the contemporary world, and present-day China and Shanghai. Broadly speaking, if these issues are not resolved well, they will affect the Chinese nation's membership in the world community and cast doubt on whether socialism is really a superior and compelling ideology. If left unresolved, these issues will affect Shanghai's position and role in the country's economy. We must develop an awareness of this danger. We can arouse our sense of urgency, mission and responsibility only if we clearly recognize the crisis. Crisis is challenge. In today's Shanghai, difficulty and hope coexist; opportunities and challenges appear together. To grasp these opportunities, overcome this crisis and rise to these challenges, we need above all the guidance of theory. For this reason, we place great hope in Shanghai's theoreticians. Everything discussed above concerns applied theory or policy research, but this is in no way meant to imply that there is no need to conscientiously and thoroughly investigate ideological and theoretical problems that do not directly pertain to reform, opening up and modernization. We cannot ignore basic theoretical research in philosophy and the social sciences any more than in the natural sciences. If one may say that the basic research subjects in the natural sciences are mathematics, physics and chemistry, then the basic research subjects in the social sciences should be the basic theories of the various

academic disciplines and the philosophical, historical, social and cultural background that gives rise to these theories. Research in these areas is indispensable for theoretical work to make great forward strides.

Ⅲ. *Further Emancipate Our Minds and Invigorate and Develop the Field of Theory*

At present, we are facing a new situation in which we need to further emancipate our minds, stabilize the economy and deepen reform in order to further liberate our country's productive forces.

Given Shanghai's present realities, what areas should we concentrate on in further emancipating our minds? Recently, the Standing Committee of the Municipal Party Committee studied this issue. We believe: First, we need to rid ourselves of self-satisfaction in being Number One. Second, we need to free ourselves of the mood of resentment and fear in the face of difficulties. Third, we need to extricate ourselves from complacency and conservatism. These three kinds of moods and attitudes constitute great impediments to deepening reform, opening up wider, developing Shanghai's economy, and orienting it more quickly in an outward direction, and they are thus the areas that we must now focus on in emancipating our minds. In the arena of economic development, we need to concentrate on transforming four concepts to deal with these three types of ideological obstacles. We need to shift 1) from the concept of a product economy to the concept of a socialist planned commodity economy; 2) from the concept of an inwardly oriented economy to the concept of an outwardly oriented one; 3) from our habitual concept of revenue and expenditure monopolized by the central treasury to a concept of local governments being responsible for their own surpluses or deficits; and 4) from our habitual reliance solely on administrative management to a combination of careful ideological and political work together with economic management methods.

Those of us engaged in practical work, especially leading cadres at all levels, need to stop disdaining theory and relying solely on experience in making decisions, and fully realize the important role theoretical work has in socialist modernization. We not only need to fortify our own theoretical understanding and thinking, raise our level of theoretical attainment, eradicate the blind spots in our work, and become more conscious of the importance of theory, but also need to wholeheartedly support research by theoreticians and enable them to fully play their role.

Theoreticians need to stop doing theoretical research that is divorced from reality. At present, some theoreticians have a tendency to scorn reality. They believe that theoretical research too closely bound up with reality is unscholarly and lacking in academic value. This situation deserves study. Progress in our theoretical undertakings requires both pure and applied theoretical research, and it is undesirable to exclude or suppress either. At the same time, it must be noted that there are currently a number of theoreticians who have misgivings about integrating theory with practice because they think this easily leads to mistakes, so they shudder at the thought of studying practical problems. This situation is understandable, but it is wholly unnecessary. In theoretical research, one must cast aside all kinds of misgivings, boldly explore and let the dazzling light of theory shine forth.

Democracy is an important condition for emancipating our minds. If we stop fostering socialist democracy, it will be impossible to talk about emancipating our minds. In theoretical work, fostering democracy means unwaveringly implementing the principle of letting a hundred flowers bloom and a hundred schools of thought contend, in order to create an environment conducive to the flourishing of theory. Theory becomes vital and vibrant only through debate. History has already shown that designating one school of thought as the supreme authority and banishing all others in theoretical research inevitably results in shutting people up, setting them marching off in lockstep and stifling their minds, with the result that theory withers. Therefore, to implement the principle of letting a hundred flowers bloom and a hundred schools of thought contend, we must end the old practice of designating an orthodox viewpoint in theoretical research, discard feudal thinking, and advocate academic and theoretical democracy. Everyone is equal before the truth. Everyone is also equal before theory and scholarship. Practice is the sole criterion for judging the correctness of theory.

Can we research important and sensitive questions? I believe that there should be no forbidden areas in theoretical research, and that theoreticians should be able to express themselves freely and fully. Of course, theoretical research differs from education in and dissemination of theory. In disseminating theory, we need to be cautious and pay attention to our audience, and in particular to the effect of theory on society. Theoretical research unsuited for public consumption may initially be discussed in restricted publications. Just as we allow mistakes to occur in the practice of reform, we can likewise allow them to arise in theoretical

explorations. When such mistakes do arise, we should not attack people politically, stigmatize them or insert unfounded information into their files, and we must properly distinguish between theoreticians' theoretical mistakes and their political stands. However, when theoreticians deviate too far from the Party's basic line for the primary stage of socialism, we should admonish or caution them as the circumstances warrant, so they get a firmer grasp of the basic line of "one central task, two basic points," and correct their one-sided understanding.

To emancipate our minds and invigorate theory, we must also do everything in our power to create good working and living conditions for theoreticians, carry out reforms to solve the problem of insufficient funds for theoretical research, conscientiously build the ranks of theoreticians, and vigorously strengthen the city's organization and coordination of philosophical and social sciences research bodies. I hope that all of the city's theoreticians will strive together with us to truly transform Shanghai's theoreticians into a united, militant body capable of consciously implementing the Party's basic line for the primary stage of socialism and that they will always stand in the front ranks in reform and opening up.

In recent years, Comrade Deng has always encouraged us to boldly undertake reform and break new ground and not to be afraid to take risks. He has consistently adhered to this correct position. Now that a great opportunity to revitalize our economy has arrived, we very much need this kind of Marxist insight and courage. Although we face many new difficulties, we have the courage and strength to overcome them and remove all obstacles. We firmly believe that we can make a new contribution to developing Marxism, implementing reform and opening up, and revitalizing Shanghai if we always adhere to the Party's basic line for the primary stage of socialism; steadfastly emancipate our minds and proceed from reality in everything we do; rely on the hard work of all our theoreticians; and resolve to forge ahead, ground ourselves in our fields of specialization and in reality, conduct investigations and studies, know ourselves and others, and put an end to idle talk.

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[1] "Emancipate the Mind, Seek Truth from Facts and Unite as One in Looking to the Future," *Selected Works of Deng Xiaoping*, Eng. ed., FLP, Beijing, 1995, Vol. II, p. 151.

[2] A reference to the statement that "we shall resolutely uphold whatever policy decisions Chairman Mao made and unswervingly follow whatever instructions he gave." This statement first appeared in an editorial entitled "Study the Documents Carefully and Grasp the Key Link," which was published in the

People's Daily, the journal *Hongqi* and the *Liberation Army Daily* on February 7, 1977.

[3] Deng Xiaoping, *op. cit.*, p. 159.

[4] On January 23, 1988, Deng Xiaoping made the comment on a report on accelerating opening up and economic development in the coastal regions, "I completely agree. In particular we need to act boldly, pick up the pace and make sure we do not miss any opportunities." *Selected Works of Deng Xiaoping,* Chin. ed., People's Publishing House, Beijing, 1993, Vol. III, p. 408.

[5] "Both ends reach outward" means that the two ends of the production process, namely purchasing raw and semi-finished materials and selling finished products, take place on the international market. It is necessary to actively expand the processing and export of labor-intensive products and labor- and technology-intensive products and participate in international business exchanges.

DEVELOP SHANGHAI'S PUDONG NEW AREA*

May 2, 1988

First of all, I would like to offer my hearty congratulations on the successful convocation of this international symposium on developing the Pudong New Area. I would also like to express my warmest welcome to our guests who have come from the United Nations, the World Bank and the Asian Development Bank, and from Hong Kong, the United States, Brazil, Canada and Singapore; and to representatives from government agencies and research institutes in our country's capital, all of you who care deeply about the development of Pudong, and Shanghai residents who are participating directly or indirectly in research on its development.

The political report of the Thirteenth National Congress of the CPC points out that we need to increase the breadth and depth of our opening to the outside world and constantly develop foreign economic and technological exchanges and cooperation. It also stresses that open cities must focus on developing an outwardly oriented economy and fully function as hubs and portals for opening to the outside world. As China's largest and most strategically located open city, Shanghai should advance reform and opening up a step further. Developing Pudong and creating a new, international, pivotal, modern, world-class municipal district is in complete accord with the guiding principles of the Thirteenth Congress. We will definitely perform this task well.

Shanghai is a world-famous metropolis. By the 1930s it had already become Asia's largest international trade and banking center, but as it flourished economically, it was also beset by a number of intractable problems. In the more than 30 years since liberation, we have focused on economic development, especially industrial development, but for a variety of historical reasons, we have not had the time to carry out corresponding urban renewal and development. This has weakened Shanghai's ability to function as an economic and trade center and as a domestic and foreign hub. Naturally, this situation cannot be allowed to continue. We have adopted a number of measures to revitalize the old city, but this approach is extreme-

* Remarks at the opening ceremony of an international symposium on developing the Pudong New Area.

ly costly and beset by difficulties, so we have formulated the principle of combining urban renewal in the old city with the creation of a large new modern city district. I believe that it is necessary to consider and study the problem this way. It is very clear that it would be very difficult to quickly develop an outwardly oriented economy in Shanghai and transform the city into one of the largest socialist economic and trade centers on the western Pacific Rim by relying solely on urban renewal in the old city and not developing Pudong.

A new Shanghai Municipal People's Government has recently taken office, and this has infused the city with new hope and energy. We have every reason to believe that the new government will definitely support and promote the development of the Pudong New Area, fill Shanghai with vitality, and make it thrive and develop. I hope that all of you here today will give us the benefit of your advice and comments, and I especially hope that in the course of developing friendly relations with us, our foreign friends will cultivate broader and more intimate exchanges and cooperation with us based on the principle of mutual benefit.

BE TRULY WORTHY OF THE HONORABLE TITLE OF COMMUNIST PARTY MEMBER*

June 30, 1988

The history of the CPC during the 67 years from its founding to today demonstrates that it grew from being small to being large and from being weak to being strong, constantly progressed toward victory as it went through difficulties and setbacks, and truly is the vanguard of the working class, which is full of hope, life and vitality. For 67 years, our Party has indomitably pressed ahead again and again to liberate and rejuvenate the Chinese nation. It integrated the basic tenets of Marxism with the concrete realities of China to achieve two great historic leaps. The first took place during the new-democratic revolution when our Party blazed a revolutionary path with Chinese characteristics to achieve the liberation of the nation and establish the socialist New China. The second occurred after the Third Plenary Session of the Eleventh Central Committee when our Party found a way to build socialism with Chinese characteristics. History has already validated this irrefutable truth: Without the Communist Party, there would be no New China. History will also certainly confirm another truth: Under the leadership of the CPC, the Chinese people can certainly establish a prosperous, strong, democratic, culturally advanced and modern socialist country on this territory of 9.6 million square kilometers.

Reform and opening up are our Party's pioneering mission in these new historical circumstances to achieve the great rejuvenation of the Chinese nation. We Chinese Communists have the unshirkable historical duty to achieve success in reform, opening up and modernization; completely revitalize the Chinese nation; and fundamentally eradicate poverty and backwardness from one fifth of the world's population. Since the Third Plenary Session of the Eleventh Central Committee, Shanghai's Party members working in all areas have clearly grasped the historical responsibility they bear and actively thrown themselves into the great effort of reform, opening up and socialist modernization. Through their exemplary actions, they have made great contributions to the modernization drive and

*Speech at a meeting in Shanghai commemorating the 67th anniversary of the founding of the CPC.

added new luster to the Party flag, thereby winning the trust and esteem of the broad masses of the people. According to statistics, the number of Shanghai Party members who have received an honorary award of some sort in recent years has constantly increased, and the percentage of the people chosen as municipal model workers who are Party members grew from 59.7% in 1983 to 75.6% in 1985 to 80.8% in 1987.

At the same time, we must also be clearly aware of the difficulty, complexity and depth of reform and opening up. Reform is another revolution. Shanghai's Party members are now undergoing a rigorous test of the environment surrounding reform and opening up and the position of the ruling party. In this historical period of rapid change, some weak-willed Party members have fallen behind because they cannot resist the temptations of power and money, and a very few of them have already sunk into corruption. Although they are few in number, they have brought Party ethics into disrepute and undermined public trust in the Party. In recent years, the percentage of Party members who have been disciplined by the Party or received criminal punishment for violating the law and discipline has also steadily risen. All Party members should take heed and be warned. History already poses this exacting question to each and every one of us Communist Party members: In these new circumstances of reform and opening up and developing a socialist commodity economy, how can I truly be worthy of the honorable title of Communist Party member?

From the vantage point of our Party's history and the revolutionary practices and exemplary accomplishments of all of today's outstanding Party members, I believe the answer is as follows.

To be worthy of the honorable title of Communist Party member, one must always uphold the lofty ideal of communism. Our highest ideal is to establish a communist society. This ideal, no matter whether in the past, present or future, is always the psychological pillar and source of strength of us Communists. In this new historical period, Party members manifest their advanced nature by combining this highest ideal with the implementation of the Party's basic line for the primary stage of socialism, integrating this lofty ideal with practical and arduous work, focusing their minds on the big picture while discharging their duties, and fully playing their role as vanguards and models in achieving the four modernizations and rejuvenating the Chinese nation.

To be worthy of the honorable title of Communist Party member, one must uphold reform and opening up. At present, reform has already

reached the critical stage where we have to address difficult problems, and Communist Party members must maintain a high level of accord with the Central Committee, be iron-willed and indomitable, meet all challenges head-on, and make a positive contribution to establishing a sound new socialist commodity economic order.

To be worthy of the honorable title of Communist Party member, one must place the interests of the Party and people first and willingly subordinate one's own interests to those of the Party and people. Serving the people wholeheartedly is the Party's fundamental purpose and the starting point of all of the words and deeds of us Communists. In this new historical period, Party members should place the interests of the Party and the people above all else. Reform has already brought the people tangible benefits, and it will certainly ultimately yield them even more, but it does not and cannot bring equal benefits to everyone at once. As a result, it is inevitable that conflicts over benefits will arise from time to time. In carrying out reform, Communist Party members should have a nobility of spirit that impels them to be the first to bear hardships and the last to reap rewards, unselfishly devote themselves to serving the public, and not compete with the people for rewards. Party members occupying leading positions in Party and government departments particularly should take it as a maxim to make the economy flourish and make their departments incorruptible, and set an example for all other Party members and cadres to emulate.

To be worthy of the honorable title of Communist Party member, one must persist in diligently studying Marxism, science and culture; strive to raise one's political consciousness, and become skilled in one's field of endeavor. Party members need not only to have the desire and resolve to serve the people, but also to constantly become better able to serve them. They need not only to set an example for the masses in the areas of ideology, politics and work ethics, but also to become standouts in all aspects of modernization. In evaluating a Party member to see if he or she is fully playing his or her role as a vanguard and model, an important standard is whether and how much he or she contributes to developing the productive forces. If a Party member does not conscientiously study Marxism and acquire professional knowledge, never masters the expertise required in his or her field and cannot genuinely contribute to modernization, his or her so-called political consciousness and advanced nature are just so much empty talk.

To be worthy of the honorable title of Communist Party member,

one must safeguard the interests of the masses at all times and places and courageously oppose all improprieties and illegal activities. In carrying out reform and opening up and developing the socialist commodity economy, Party members need to consciously resist the corrosive influence of decadent capitalist ideas and observe Party discipline and state law in exemplary fashion. In invigorating the economy, they need to be strict with themselves, serve the public interest honestly, firmly oppose and combat all kinds of improprieties, and be staunch warriors who defend the Party's principles and the people's interests with unyielding integrity.

We are in the midst of the great task of transforming and revitalizing Shanghai and contributing to the whole country's modernization. This is both a glorious and an onerous task. In these new circumstances, Party organizations at all levels must conscientiously implement the spirit of the Party by exercising self-discipline and being strict with their members, give priority to strengthening Party building, improve their own sense of organization and discipline, become more militant, get Party members to fully play their roles as vanguards and models and, together with all the city's residents, carry reform forward under the unified leadership of the Central Committee.

At present, we need to pay careful attention to improving the education of Party members, particularly leading cadres. We need to strictly supervise Party members and quickly change the current situation in which intra-Party education and supervision are unsuited to the new circumstances. We need to further develop and improve intra-Party democracy. We need to uphold the standards for Party members in this new period, improve their quality and rigorously enforce Party discipline. On the one hand, we need to actively yet cautiously recruit new blood into the Party, while being sure to maintain its quality. On the other hand, there are a very small number of corrupt, degenerate Party members who embezzle public funds, take bribes, engage in extortion, and abuse their power to commit crimes, thereby seriously damaging the interests of the state and the people, sabotaging the Party's reform and opening up policy, and gravely jeopardizing the Party's cause, and we must adopt the firm policy of expelling each and every one of them. As for Party members who fall short of the Party's standards, we need to strictly yet properly distinguish situations and handle each on the basis of the principle of upholding standards, providing education, dealing with each case on its own merits, and working out comprehensive solutions.

We also need to pay careful attention to educating cadres and ordinary people both within and without the Party regarding the country's current situation, thoroughly analyze the trends in social thought at a given time, and strengthen ideological and political work. At present, the overall situation is good. Although the people have some cause for complaint, for example, about the price of goods, workers, farmers and intellectuals firmly support reform. However, the problem is that there is a kind of incorrect thinking that tries to blot out the massive successes of reform and opening up and exaggerate a number of unavoidable negative phenomena that arise in the course of reform, which gives rise to pessimism, disappointment, complaints and low morale, and thus requires correct guidance. For this reason, we need to focus on the following three issues.

First, we need to confidently publicize the achievements in reform achieved over the past ten years. Theoretical research, literature and art, and journalism and publicity all need to look to the future and arouse people's inner strength and enthusiasm. The viewpoint that the government is thoroughly corrupt and the Party has done nothing good for the people is completely contrary to the facts. We must have a correct understanding of the situation, an adequate estimate of the accomplishments of reform over the past ten years, and a specific analysis of existing problems. Publicity needs to be realistic and appropriate, and it cannot just trumpet achievements while overlooking shortcomings, which would give rise to another kind of one-sidedness.

Second, we need to guide the people to a correct understanding of currently existing problems. At present, there is a genuine problem with corruption in the Party and government, and there really are a number of problems and unhealthy tendencies in society. The people have expressed their dissatisfaction with these situations and demanded change. This is entirely right. The Party and government are undertaking steps to rectify matters. However, addressing and solving these problems is inseparable from the objective reality that we are in an era of massive change. Reform has brought positive changes to all aspects of society and given a great impetus to economic development; at the same time, it has given rise to a number of conflicts and problems. When a new system supplants an old one, it is difficult to avoid paying this price. We must take these problems seriously and solve them, and there is no doubt they can be solved. However, if we dread the occurrence of these problems or demand that they never arise, then our only option is to return to the old

system; but there is no returning down that road.

Third, we need to publicize that reform is at a crucial stage, and we must determinedly carry out reform because the situation is complex, conflicts are numerous and there are risks. All this has a very direct bearing on whether reform succeeds or fails and thus on the fate of the Chinese nation. The whole Party and country must unite closely, support the resolve and policy decisions of the central leadership, and uphold the authority of the Party and government. At this critical juncture, we must emphasize discipline, and the Party and government need to exercise steady leadership. Political restructuring can only proceed step by step in accordance with the principles adopted at the Thirteenth National Party Congress. In fact, we have already done a great deal of work and achieved considerable success. However, if we deviate from these principles, political restructuring will go astray. Our mission is to accomplish the four modernizations and rejuvenate the Chinese nation, and this is also the spiritual staff we wield to unite and rouse the people to struggle together. Any action that deviates from or interferes with this goal is wrong and should not be permitted by the Party and the people. In short, we need to do thorough and meticulous ideological and political work to enable all Party members, cadres and ordinary people to clearly understand the situation and our tasks.

Shanghai is the cradle of China's working class, the birthplace of the CPC, and a heroic city with a glorious revolutionary tradition. Let us carry forward its fine traditions; win more honors for it; render further service to reform, opening up and socialist modernization; and make the kind of contribution our generation should make.

USE CORRECT WAYS OF THINKING TO ANALYZE THE SITUATION*

March 20, 1989

We are in a period of comprehensive and profound economic, political and cultural reform. This is another major change the Party has faced since its founding. The bigger the changes are, the more necessary theoretical guidance becomes. Historical experience tells us that when theory grips the masses, it can become a powerful material force and propel the smooth progress of our cause.

At present, some people advocate engaging in the so-called three reflections: reflecting on whether it was correct to spread Marxism in China 70 years ago during the May 4th Movement; whether it was correct to decide to set China on the socialist road 40 years ago after the founding of the People's Republic; and whether it was correct for the Third Plenary Session of the Eleventh Central Committee to decide that China should follow the path of reform and opening up. Communist Party members need to clearly understand these important questions, and give these clear answers: 1) It was correct to spread Marxism in China during the May 4th Movement; 2) it was correct to decide that China would follow the socialist road after the founding of the People's Republic; and 3) it was correct for the Third Plenary Session of the Eleventh Central Committee to decide to undertake reform and opening up and follow the path of building socialism with Chinese characteristics. However, simply answering "Yes" is insufficient. The application of theory is necessary to make the answer convincing. We cannot persuade others with simple slogans. On the contrary, we must analyze the issue from a correct viewpoint and with correct theory to distinguish truth from falsehood and guide the masses in keeping to the socialist road while sustaining firm confidence in reform and opening up.

We need to rationally ponder problems that exist in society today because some of the phenomena we see reflect the true nature of affairs, but some are false appearances. We can deepen our understanding and grasp the true character of the situation only if we approach it rationally instead

* Excerpt from a speech at the opening ceremony of the first training session for political cadres in Shanghai's large enterprises.

of emotionally. Where does correct thinking come from? Chairman Mao once said that it does not descend from the heavens and is not implanted in our brains; it comes only from social experience. At present, some people constantly complain that our reform lacks theory. I do not believe that this statement accords with the facts, nor does the assertion that our reform theory is already complete, perfect and without shortcomings. Our reform is guided by the theory, line and series of principles and policies propounded since the Third Plenary Session of the Eleventh Central Committee. Comrade Deng Xiaoping has given a profound theoretical exposition of reform. The theory of the primary stage of socialism was propounded at the Party's Thirteenth National Congress. Although we have been implementing reform for a decade, this is a very short time in the whole course of history. Therefore, it is impossible for our theory of reform to be entirely complete. This theory can gradually mature only through constant deepening and development of reform. There are no existing models we can copy from in our reform. After we seized power, we studied the Soviet economic model. It must be conceded that this economic system played a positive role in the early years of the People's Republic and achieved a certain degree of success. However, as society developed, practical experience revealed that it was no longer suitable for developing the productive forces. A number of countries in the world today are implementing reform. We cannot blindly copy other countries' experiences because China's situation is different. China has a population of 1.1 billion, and its historical, cultural and economic conditions are unique. Therefore, in the practice of reform, we need to intensify the study of theory, emphasize theoretical research, and raise experience up to the level of theory in accordance with Chairman Mao's repeated admonition to integrate the universal truth of Marxism with the concrete practice of the Chinese revolution. I hope those of you comrades engaged in theoretical work will immerse yourselves in practical reform, while those of you doing practical work will recognize the importance of theoretical study and research.

We need to improve our way of thinking. When I say way of thinking I mean what we normally call mode of thinking. Whether cadres' way of thinking is correct or not has a great bearing on whether our reforms will succeed or not. Today, we urgently need to recognize the importance of this issue. At present, some of our comrades are mentally unprepared for the protractedness, difficulty and complexity of reform. They overly idealize reform, believing that once it is set in motion, it can instantly

sweep away all of the maladies of the old system at one stroke, immediately solving all the problems that have accumulated over the years, and drastically raising the living standards of our 1.1 billion people. Over the past few years, we failed to constantly encourage the style of hard struggle and made overly optimistic estimates of the course of reform. As a result, when reform met with difficulties and setbacks, some people lost heart and became pessimistic, blaming inflation and social corruption and instability on reform, and this led them to doubt its necessity and correctness. An important reason for the emergence of this situation was that people failed to use Marxist and dialectical materialist ways of thinking and were not adept at analyzing current problems in society using the Marxist stand, viewpoint and method. Therefore, it is necessary to educate cadres in correct ways of thinking and advocate study of the Marxist methodology of thought. We are now educating the people regarding the current situation; fundamentally speaking, this means that we need to carry out patriotic education and teach cadres and the masses how to use a correct way of thinking to properly observe and understand the situation. With a correct way of thinking, one-sidedness, idealism and metaphysics will not occur, we will not be blindly optimistic and fail to see latent conflicts and problems when reform is going smoothly, and we will not become pessimistic and give up hope when reform runs into difficulties, thinking that everything is wrong and that the situation is utterly hopeless.

A current problem that deserves our attention is that some people really believe that whatever the Party and government advocate is wrong and that all criticisms of the Party and government are right. The more discussion centers on difficulties, the more completely they deny any achievements have been made, and the more criticisms there are, the more they think these criticisms prove they boldly speak the truth, represent popular opinion and deserve to be commended. This mindset is wrong. The right attitude should be to fully acknowledge the great accomplishments since reform and opening up were adopted without glossing over the problems that exist in our work. We must seek truth from facts. When speaking of accomplishments, we should not make it sound as though flowers are raining down from heaven, and when talking about problems, we should not suggest the situation is hopeless. Cadres at all levels, particularly those doing political work, need to hold to the correct political orientation, distinguish truth from falsehood, and use a correct way of thinking in analyzing the situation and all manner of social phenomena. We need to boldly and

confidently publicize the achievements of reform and also factually explain the problems we face. We should not let a few people spread a negative mood. There is no hope for a nation in which negativity and complaining are prevalent. We need to teach patriotism, rouse people's spirits, and imbue them with confidence and courage. This will increase cohesiveness and accord with the interests of both the Party and the people.

We need to strengthen the Party's leadership and take advantage of our political strengths. Some think that upholding the leadership of the Party is not a strength, but rather a weakness; that the source of all corrupt phenomena and unhealthy tendencies springs from upholding the leadership of the Party; and that China's only hope is adopting the multiparty system of Western countries. This view is utterly wrong. We must be absolutely unequivocal about upholding the leadership of the Party. History has already proven that without the CPC there would be no New China and no modern socialist China. Without the leadership of the Party, our country would inevitably disintegrate under the onslaught of a variety of internal and external causes, and the Chinese nation and people would have no future. It is hard for the Party to avoid making any mistakes in its work, but our Party has the strength to correct them itself. The Party made several significant mistakes in the past, but it corrected them all itself. The Cultural Revolution was a grievous mistake, and the Party corrected it itself. No one can use any mistakes the Party may make as grounds for weakening, casting off or even eliminating its leadership. If we conscientiously uphold and constantly improve the Party's leadership and make full use of our political strengths, we can surely better shoulder the heavy responsibility history has placed on us. Experience shows that copying the multiparty system and the system of separation of powers of Western countries would be unsuitable given China's conditions, while following the system of multiparty cooperation and political consultation under the leadership of the CPC is conducive to building our country's socialist democracy. Without the firm leadership of the Party, it is quite possible that this vast country of ours would fall into chaos, and then nothing could be done. On this matter, we must have a clear head and take an explicit stand: We will staunchly safeguard the authority of the leadership of the Central Committee.

CONSCIENTIOUSLY ELIMINATE UNFAIR PRACTICES IN SOCIAL DISTRIBUTION*

June 16, 1989

Correctly Recognize Two Current Manifestations of Unfair Distribution

What is fairness in distribution? This is a difficult issue of understanding. Theoretically speaking, social equity, which is based on equal rights, is conditioned by a society's level of economic and cultural development. The notion of social equity thus has different meanings at different stages of development. The criterion for measuring social equity must consider whether it is conducive to social progress and the development of the productive forces. In the public sector of a socialist economy, the means of production are owned by the masses, and the primary principle of distribution is distribution according to work. After the Third Plenary Session of the Eleventh Central Committee, our Party implemented a policy of permitting and encouraging some regions and some people to prosper first through honest labor and lawful business activities so that they would lead the people of the entire nation on the road to common prosperity. This is consistent with the principle of distribution according to work. Where this policy is implemented, disparities will arise between the incomes of people with differing abilities who make different contributions, and some people will become prosperous before others, yet this is fair. In general, the disparity between people's ability and the contributions they make is limited, so distribution according to work will not give rise to polarization between rich and poor. Egalitarianism, however, opposes the widening of income gaps and is therefore itself a manifestation of unfair distribution.

We are presently in the primary stage of socialism, and other forms of ownership coexist with public ownership, which is dominant. Correspondingly, allowing some income to be earned by means other than labor is beneficial for invigorating the entire economy. However, not all members of society have the same opportunities to earn income from non-labor sources, and it is therefore easy for disparities between such income and income

* Excerpt from an article in the journal *Qiushi,* No. 12, 1989.

from labor to grow. Therefore, the distribution methods, tax and pricing policies, and administration of industry and commerce by the Party and government impose necessary restrictions so that businesses that obey the law and observe discipline may not become too rich. The present problem is that a small number of individuals resort to illegal means to earn money by evading taxes, abusing a dominant market position, price-fixing, abusing power, dereliction of duty, engaging in corruption and bribery, or smuggling and trading smuggled goods. This is another important manifestation of unfair distribution and a matter of considerable public dissatisfaction.

How did the above two kinds of unfair distribution arise?

Let us look first at egalitarianism. First, there is a long history of egalitarianism in our country's peasant economy, and eliminating its pervasive influence on people will require a significant amount of time. Next, we are now in the primary stage of socialism and the level of our productive forces is still quite low, so achieving social equity and ensuring that all the people have adequate food and clothing and can live and work in peace and contentment is an important principle of distribution. This provides fertile ground for the spread of an egalitarianism that stresses fairness while ignoring productivity. In addition, a premise for implementing a policy of distribution according to work is that everyone has an equal opportunity. However, under the restrictions of the old management system and pricing policies, there is a lack of regulations and circumstances to create fair competition between different occupations, organizations, industries and regions, and workers do not have equal competitive opportunities. In this kind of situation, it is easy for compensation to be out of line with the amount of work done: some kinds of simple labor requiring little knowledge or skill are highly paid, while some kinds of skilled labor requiring extensive knowledge and experience do not receive the pay they deserve. The disparities in income arising from this situation are clearly unreasonable. Because the state still has not created an effective system for regulating income, there is a tendency for salaries to hover closely around the mean in areas where the distribution of income is directly under state control, especially in SOEs and state institutions.

Let us look next at the polarization of incomes. This is not a direct result of Party and state policies; rather it is the result of a small number of people violating the law and discipline or taking advantages of policy loopholes. However, it should also be noted that during the process of reforming the old system and assaying and improving the new one, the two systems

coexist and a number of reform policies and measures are imperfect and incomplete, thereby creating loopholes that can be exploited by a small number of people. In addition, our actual implementation of distribution reform is still hindered by three factors: our stage of economic development, the level of development of the new system, and traditional social notions and the force of habit, which remain as a source of deficiency in various specific distribution reform policies. At the same time, the state's ability to effectively regulate income distribution is clearly insufficient, with the result that within the scope of effective direct state control, egalitarianism continues to persist, and in situations outside this scope, where indirect controls have not been effectively established, income from some economic activities is too high. The experience of all the world's developing countries indicates that in the primary stage of economic maturation, income disparities tend to increase, and social stability can be affected if they are not properly dealt with. We must be more vigilant about this problem.

Egalitarianism and excessive disparities in income affect each other. We must defeat egalitarianism, but excessive income disparities are a definite obstacle to the emergence of reasonable income disparities. Because excessive income disparities may mar social equity and demoralize the people, and especially in circumstances where new and old systems coexist, they often easily give rise to a trend to egalitarianism and counterproductive competition over who earns the most rather than laudable competition over who contributes the most, resulting in a high-income counterpart of the mindset of everyone eating out of the same big pot. On the other hand, egalitarianism spurs the excessive growth of income disparities because it is harmful to economic productivity and deflates workers' enthusiasm, and might lead some to dissatisfaction with public ownership, and even incite others to seek to pursue self-serving interests through unlawful means. From this it is clear that inequalities in distribution due to egalitarianism and those due to excessive income disparities are interdependent and feed upon each other, and both therefore warrant our due attention.

Furthermore, severe inflation is an immediate cause aggravating the current problem of unfair distribution. Inflation has a redistribution effect. When prices rise continuously, spending commonly increases. However, the sources of income for workers in different sectors and industries are different, and disparities in the degree of each person's supplemental income will emerge. Supplements to the real salaries of employees whose incomes derive from the state budget are dependent on the state, and

they are often delayed or not paid in full. However, there are many ways in which enterprises and other departments engaged in material production can supplement their employees' real salaries, and sometimes these supplements even exceed the factor needed to adjust for inflation. In this way, disparities arise between the incomes of workers in production-related fields and those of employees of government bodies and institutions. Because most of the income increases employees receive during periods of inflation are intended to offset decreases in their real income, it is possible that the role of income as a work incentive is vitiated, and that workers therefore become more egalitarian. The small number of speculators and profiteers who operate outside the law as well as individuals with high incomes exploit the opportunities presented by inflation to increase their incomes more quickly. Inflation causes the disparity to increase between the incomes of those whose income comes from economic activities that fall within the direct control of the state and those whose income comes from sources that do not. This deepens the contrast between egalitarianism and excessive income disparities.

Avoiding erroneous thinking is important for us to correctly understand unfairness in income distribution. We should acknowledge that negative and corrupt phenomena in everyday life and the income gap are focal points of intense dissatisfaction among the masses. The people demand that we change the situation in which people have unequal opportunities and a minority of individuals get rich through ill-gotten gains. We can create a good social atmosphere in which people engage in competition conducive to raising productivity only if we solve these problems. We must devote great attention to this. At the same time, it is worth noting that when people compare themselves to their peers and compete to get ahead, traditional egalitarianism exerts an enormous influence, and once reform starts adjusting important interests, this kind of thinking subconsciously manifests itself and becomes a significant psychological obstacle to reform. Some people take particular pleasure in using their individual subjective impressions to make sweeping lateral comparisons, statically observe the evolution of interest relationships between people, and ignore the difference between income disparities that are reasonable and legitimate and those that are not. Therefore, if we correctly understand the social and psychological factors affecting distribution and conduct an objective, correct analysis of them, we can make clear-headed decisions on the problems we now face concerning distribution. If we merely use our subjective impres-

sions to deal with the income disparities involved in reform, blindly pursue income equality and deny the regulatory role of the market, we will block the process of reform and sap the vitality of the entire economy.

Achieve Social Equity While Improving Productivity

The political report of the Thirteenth National Congress of the CPC states, "Our distribution policy should encourage some enterprises and individuals to prosper before others through good management and honest work, thus widening the differences in personal income to a reasonable degree. But at the same time, the policy should prevent polarization of rich and poor, maintain the orientation toward eventual common prosperity and bring about social equity while improving productivity."

The national economy is an organic whole, and if we are to achieve the above objectives and solve the problems of egalitarianism and income disparities, we cannot deal with distribution in isolation, but must deal with the situation comprehensively. We must find a solution by deepening reform of related areas. We need to further invigorate enterprises that are owned by all the people; nurture a market system more quickly; strengthen the system of macroeconomic controls; do a good job instituting reforms in the areas of planning, investment, materials, public finance, taxation, banking and prices; improve the legal system; and gradually establish the basic framework for a new planned commodity economy. We must create competitive conditions under which people enjoy equal opportunities, and create a favorable political, economic and social environment for implementing a correct distribution policy. We should realize that production determines distribution, so only by greatly raising labor productivity and economic performance via reform can we make full use of the distribution system and policy to play a positive role and create a material basis for fundamentally solving the problems of egalitarianism and excessive income disparities.

Of course, the distribution system is very important. At present, the key is to improve adjustment procedures and adopt appropriate specific policies for different income distribution conditions under the dual system.

Where the state can basically directly control income distribution (as in SOEs, government bodies, and institutions) we need to implement multi-tiered, macro-control management and focus on overcoming egalitarianism. In primary distribution, the state links the total payroll of enterprises

with their economic performance, and enterprises set employees' remuneration based on their respective contributions. In secondary distribution, it is necessary to solve the problem of discrepancies between the work and compensation of employees of government bodies and institutions and the problem of their incomes being too low. It is also necessary to regulate the inequalities in production and business conditions, and in opportunities between enterprises, in order to facilitate fair competition and further implement the principle of distribution according to work. Specifically, we need to manage several relationships well. First, we need to properly handle the distribution relationship between enterprises and their employees. At the same time as we improve enterprise recruitment systems, we need to reform their systems of distribution, gradually eliminate cost-of-living subsidies from workers' salaries, reinstate and strengthen the practice of granting salaries and bonuses as an incentive for improved performance, explore all manner of systems of distribution based on the time spent doing productive work, introduce reasonable disparities in employees' incomes, and allow a number of salaried workers who make outstanding contributions to prosper first. Second, we need to properly handle the distribution relationship between the state and enterprises. A very important problem is how to devise a yardstick for reasonably measuring the economic performance of enterprises in order to establish a sound and scientific basis for linking enterprise income and higher salaries with economic performance. For example, while maintaining the principle of keeping real increases in worker salaries lower than increases in labor productivity, enterprises could formulate a labor productivity index calculated on the basis of fixed prices and add it to the link between their total payroll and their economic performance, or introduce a link between their total payroll and total production, or we might look into linking total payroll to the industry's rate of return on capital or wages. We should also notice that different enterprises face different conditions and circumstances in the areas of tax and pricing policies and opportunities to secure factors of production, including labor, capital, means of production, land and technology, so the state should adopt effective economic means to adjust the disparities in personal income that arise therefrom. Third, we need to properly manage the distribution relationship between mental and physical work. From a Marxist viewpoint, skilled labor counts as multiplied simple labor.[1] Remuneration for skilled labor should therefore be higher than that for simple labor, but the situation in our country is exactly the reverse. This is a conspicuous

example of unfair distribution. In the future we need to gradually increase the pay of intellectuals to alleviate the income disparities between white- and blue-collar workers. We also need to continue to reform the existing wage system in government bodies and institutions and gradually improve it. Fourth, we need to properly handle the relationship between regulating distribution through the adoption of economic and administrative measures and strengthening ideological and political work. At the same time as we adopt various measures to regulate distribution, we need to do our publicity, ideological and education work well in order to deter people from counterproductive competition to earn more than others, discourage them from spending more than they can afford, and encourage them to make progress and do their work well so that they can receive material benefits through hard work in whatever circumstances they find themselves. At present, we are in the grip of inflation and need to emphasize austerity in the years to come.

In areas including other economic sectors and certain economic activities where it is difficult for the state to directly control income distribution, the main problem remaining is that a small number of people engage in illegal profiteering. To solve this problem we need to strengthen government authority and functions so that we can exercise supervision and regulation through legal, administrative and economic means.

First, we need to rectify the economic order, and especially the distribution of goods. At the same time as we clear up problems concerning all kinds of companies, exercise sound supervision over markets and prices, and reorganize and improve the distribution of key goods, we need to study and solve six problems concerning income distribution: supervision of income of enterprises earned in tertiary industries and horizontal integration activities; supervision of income from technology transfers and technical consulting, services and training; supervision of the personal income of all types of employees; supervision of workers who have second jobs or find new jobs after retiring; supervision of self-employed workers; and supervision of newly established companies. Of these problems, it is particularly important to increase oversight and supervision of the business activities and income of self-employed individuals, and increase control and supervision over the income distribution of all kinds of companies. We need to enact new and improve existing laws, regulations and policies dealing with these issues, establish market rules, set limits on the business scope and methods of all types of businesses, and propound effective

measures for rendering income distribution from all manner of economic activities more transparent and for supervising and regulating such distributions. We need to promptly implement trials of reporting taxable income for employees of Party and government bodies and some high-income professions in large and medium-sized cities, make individual income more transparent, and further improve the work of collecting the adjustment tax on personal income. Administrations for industry and commerce and tax bureaus need to put more effort into strengthening their staffs, conscientiously fulfill their responsibilities, strictly enforce the law, strengthen their coordination with all relevant areas of society, and do a good job supervising the market and collecting taxes.

Next, we need to give high priority to establishing a system of clean government and concentrate our efforts on firmly and promptly investigating and punishing illegal activities in which cadres abuse their power for personal gains or peddle their influence, such as by engaging in corruption, bribery and extortion. We need to strictly ban and firmly crack down on all illegal business activities. We should confiscate all illegal income and also impose heavy fines. We should strictly punish serious economic crimes in accordance with the law, and we must never treat offenders leniently. At the same time, we need to carry out extensive publicity and education campaigns throughout society to deeply implant in people's minds the principles of performing official duties honestly, doing business legally and paying taxes as required by law.

In short, we need to resolutely protect lawful income, reasonably regulate exceedingly high income, and strictly crack down on illegal income. From the long-term perspective, in order to eliminate inequities in social distribution we need to gradually establish an elastic employment system and give workers basically equal opportunities to compete. Correspondingly, we must establish a sound social security system. We cannot accomplish this all at once, but we must strive to make progress in this direction.

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[1] Cf. Karl Marx, "Capital" in Karl Marx and Frederick Engels, *Collected Works*, Eng. ed., International Publishers, New York, 1996, Vol. 35, p. 54. The original text reads, "Skilled labour counts only as simple labour intensified, or rather, as multiplied simple labour, a given quantity of skilled being considered equal to a greater quantity of simple labour."

SPEECH AT THE FOURTH PLENARY SESSION OF THE THIRTEENTH CENTRAL COMMITTEE OF THE COMMUNIST PARTY OF CHINA

June 24, 1989

When this plenary session of the Central Committee elected me a member of the Standing Committee of the Political Bureau and General Secretary of the Central Committee, I was not mentally prepared. I lack experience in the full range of the work of the Central Committee, and I strongly feel that the burden is heavy and that I may not be up to the task. However, the decision has now already been made at the Plenary Session, and I thank all of you comrades for your confidence in me. I am resolved to work closely with you all, study hard, increase my investigations and studies, and do my utmost to carry out all my work well and live up to the expectations of the older generation of revolutionaries and all of you comrades.

Our Party has already devised a line and a series of basic policies for building socialism with Chinese characteristics. Generally speaking, as Comrade Deng Xiaoping has repeatedly pointed out and recently reemphasized, we must set economic development as our central task and uphold the Four Cardinal Principles and the reform and opening up policy. This is the fundamental and firm foundation for our confidence in our ability to do our work well. The central leadership has made a number of personnel changes, but the line and basic policies the Party has followed since the Third Plenary Session of the Eleventh Central Committee have not changed and we must continue to implement them. On this most basic issue, I wish to make two points perfectly clear: one, we will implement them firmly and unswervingly; and, two, we will implement them in their entirety.

In his recent several speeches, Comrade Deng Xiaoping has expressed his eager expectations for the new central leadership. It is my profound belief that if we are to do our work well, we must first fully develop intra-Party democracy and rely on the wisdom and strength of the central collective leadership and on the support and oversight of all Party members and the people. Moreover, we are favored by the very fortunate circumstance that Comrade Deng and other revolutionaries of the older generation are still

in good health. We must nevertheless not disturb them with routine matters but, when we encounter major issues, we can solicit Comrade Deng's advice and listen to the recommendations of the other older revolutionaries at any time. The rich experience governing the Party, the country and the army they accumulated and the great prestige they acquired in the long years of revolutionary struggle and national construction constitute a precious asset of the Party and are still of signal importance for the work of our new collective leadership.

This plenary session has been very successful. At this meeting we have not only correctly handled the problem of Comrade Zhao Ziyang,[1] but also made an initial review of the lessons learned, and examined and deliberated many important problems.

Recently, Comrade Deng has delivered several important speeches, and various other older comrades have also made addresses; these contain practical guidance and are of far-reaching historical significance for all the work facing the Party, now and hereafter. In the third part of the report of the Enlarged Meeting of the Central Committee's Political Bureau, which Comrade Li Peng[2] submitted to this session on behalf of the Political Bureau, preliminary arrangements have been drawn up for our present work; in these I entirely acquiesce. These speeches have inspired me to share some views of mine with you here today. I have only just begun to work for the Central Committee and my understanding of the situation is still limited, so I request that you comrades please critically point out anything I may say that is incorrect.

Thoroughly quelling the counterrevolutionary rebellion is the primary political task at present. Looking at this rebellion in retrospect, it is hard to conceive what might have happened had it not been for the resoluteness of Comrade Deng and other older revolutionaries and the bravery and self-sacrifice of the members of the People's Liberation Army (PLA), People's Armed Police Force and public security police. We will definitely ferret out and expose all political conspiracies that gave rise to the disturbances and rebellion, and we will not stop halfway. As for the conspirators who plotted, organized and led the disturbances and rebellion, and the counter-revolutionary hooligans who participated in them, they must be strictly punished in accordance with the law. We must crack down firmly and show them no leniency. As for those who merely became drawn into the disturbances and rebellion in varying degrees, we need to do more to educate and divide them and win them over through education. As for the young

students and others who committed errors in word and deed because they failed to comprehend the true situation, we need to help them review the lessons from this experience and thereby improve their understanding. We must promptly formulate a series of specific policies in order to strictly distinguish between and correctly deal with these two different types of problems. Local authorities need to properly handle matters on the basis of the actual situation in their localities. In short, we need to work decisively and painstakingly to concentrate on cracking down on the tiny number of principal offenders and unrepentant diehards and exert ourselves to the utmost to expand the breadth of education and unity.

Party organizations at all levels and all Party members need to deeply ponder two questions: Where is the main lesson to be learned from the outbreak and spread of the disturbances and rebellion? And how can we thoroughly eradicate the ideological, political, economic and social factors that generated them and ensure the long-term stability and peace of the Party and nation? If these questions are well resolved, the fruits of the revolution, construction and reform can be fundamentally consolidated and developed.

Actively yet steadily developing the national economy in accordance with the three-step development strategy decided upon by the Central Committee and Comrade Deng will always be the central task in our modernization. In developing the economy, we need to get education, science and technology to fully play their role. In the final analysis, the key to making the country prosperous and enriching the people is economic strength. In essence, international competition is competition in economic strength. If the economy develops and the country becomes powerful, we will have the strength to withstand any natural or social perturbation and to resist any external threat or pressure, and we will be able to rejuvenate our nation and make a greater contribution to humanity.

At present, our most pressing economic tasks are to continue to improve the economic environment, rectify the economic order and deepen reform in adherence with the principles decided upon at the Third Plenary Session of the Thirteenth Central Committee. Party committees at all levels shall firmly support the measures the State Council has already formulated and those it will formulate, and ensure their implementation. All Party members shall spare no effort in recovering from the losses incurred during the disturbances and rebellion.

At the same time that we develop diverse economic sectors, we need

to do everything in our power to invigorate large and medium-sized SOEs. They are the backbone and foundation of our country's socialist economy. We need to wholeheartedly rely on the working class. Nothing can be accomplished without workers' enthusiasm, creativity and sense of responsibility as masters of their country.

Ten years of reform and opening up have changed the face of China's economic and social activity and infused the country's socialist cause with vibrant vitality. We need to continue to carry out reform and opening up even more effectively and do this work faster and better.

Comrade Deng is the chief architect and leader of reform and opening up. The reform and opening up that he has championed and that we have been implementing are reform and opening up that keep to the socialist road and uphold the people's democratic dictatorship, the leadership of the Communist Party, Marxism-Leninism and Mao Zedong Thought. This is in stark contrast to the "reform and opening up" that are advocated by those who stubbornly promote bourgeois liberalization, and take the implementation of Western capitalism as their objective, renounce the people's democratic dictatorship and the leadership of the Communist Party, and deviate from and discard Marxism-Leninism and Mao Zedong Thought. The core of this conception of "reform and opening up" is the embrace of capitalism. Of course, this is something the Party and the people absolutely cannot permit.

One very serious mistake committed by Comrade Zhao was to sever reform and opening up from the Four Cardinal Principles and place them in opposition to each other. He in fact deviated from and discarded the Four Cardinal Principles, and incited and abetted the spread of bourgeois liberalization. This fermented the recent disturbances and rebellion, which inflicted a great disaster on the Party and the state. This negative manifestation was a startling wake-up call. We must never forget this profound lesson learned at such great cost.

At the same time as we hasten to promote socialist material progress, we must promote socialist cultural and ethical progress with the same urgency and decisively redress the situation in which focus on the former comes at the expense of the latter.

For several years, people's material standard of living has risen, but the ideological deviations of money worship, consumerism, discarding lofty ideals for immediate gratification, scrambling for personal gain with no consideration of the overall interests of the country and the people, and

despising one's own motherland and people while worshiping everything foreign have spread, even to the point of giving rise to corruption and degeneracy and the reappearance of evil phenomena that were stamped out in the early years of the People's Republic. Faced with this grim situation, we must conscientiously ponder the problem pointed out by Comrade Deng of inconsistency in adhering to the Four Cardinal Principles, with the biggest mistakes in the last ten years being made in the area of education.[3] We need to draw a deep lesson from this.

Concerning strengthening education, I particularly want to discuss the problem of education in national conditions. This is education in such areas as Chinese history of the last century, the necessity of socialism, current economic and cultural development, economic resources and population issues, and the fine traditions of the Chinese nation. Most young people support reform and opening up, but many of them do not understand China's past and present. Consequently, they cannot understand how protracted, formidable and complex reform is, and they dream of bringing the West's material civilization to China overnight. These people are susceptible to propaganda promoting the capitalist system. They grew up on the soil of our motherland, so they should put down deep roots in it and draw spiritual nourishment from our workers, farmers and soldiers.

After the Third Plenary Session of the Eleventh Central Committee, great contributions were made in the areas of publicity and ideological work, criticizing the "two whatevers"[4] and promoting the emancipation of people's minds, and in the area of exploring the laws governing socialist modernization and reform and opening up. However, in the several years since, all kinds of mistaken trends of thought, especially decadent Western bourgeois thought, have come streaming in, exposing other serious problems. Comrade Zhao attacked comrades who upheld the Four Cardinal Principles and resisted decadent thinking and objectionable phenomena in society, and he protected, trusted and promoted people who stubbornly upheld bourgeois liberalization. This went on for a long time and some areas of the media are no longer under the control of the Party and the people. Relevant departments must take decisive measures to correct this situation.

We have an excellent group of intellectuals, who are active in the areas of production, national defense, scientific research, education, health, publicity, the press, publishing, literature and art. They work hard and make selfless contributions, and they are truly the nation's elite and the backbone

of socialist modernization. Among intellectuals, there are a very few so-called elite who have achieved prominence by criticizing the Communist Party and socialism. They have thrown off the cloak of patriotism and democracy. For several years, they have been highly praised, and they have not only carried out anti-Party, anti-socialist political propaganda, but also created a very unhealthy, demagogic academic atmosphere. They cannot represent Chinese intellectuals; on the contrary, they are the scum of Chinese intellectuals.

We need to promptly develop democracy and the legal system. Many young students and others want us to accelerate this work, and their demand is understandable. We need to continue improving and developing all aspects of the democratic system and the legal system to ensure that the Party and government's policies and work can fully manifest the interests of the people and ensure that cadres at every level are subject to effective oversight by the people. However, in developing democracy and the legal system, we absolutely cannot deviate from the socialist orientation or path or import the Western bourgeois so-called system of democracy and freedom. Modern Chinese history in its entirety proves that in China this approach is bankrupt. These disturbances abundantly demonstrate that doing things in this way leads only to chaos.

This student demonstration also reveals that some young students and others lack a correct understanding of democracy and have a very vague conception of the law. The kind of democracy some people want is a totally lawless, extreme form of democracy, a kind of anarchy, which is completely different from democracy. It is reactionary and destructive to democracy. This extreme form of democracy is not acceptable even in Western nations or anywhere else in the world.

Our Party is the vanguard of the working class and the guiding force of the socialist cause. Our situation and tasks are constantly changing, and the Party's line, principles, policies and strategies, and the way it works and carries out activities need to change accordingly, but the nature of the Party and its lofty goal of achieving communism cannot be altered.

The strength and purpose of the Communist Party lie principally in the quality, not the number of Party members. We need to carry out education throughout the Party in the basic theory of Marxism-Leninism and Mao Zedong Thought, in the ideology of socialism and communism, and in the Party's platform and Constitution and its line, principles and policies in light of the reality of construction and reform and the state of develop-

ment of the contemporary world.

One important reason why the conspirators were able to incite so many people during the disturbances was that some Party members and cadres, and especially a very small number of leading cadres, engage in serious corruption. The eyes of the people of all of the country's ethnic groups are focused on us waiting to see whether or not we can take real action to punish corruption. In the short term, we must undertake a number of activities in this area to inspire Party members and the people. After a period of hard work, we will formulate a system for preventing and punishing corruption in order to fundamentally adjust Party conduct for the better and restore and strengthen the Party's close ties with the people.

Comrades,

We have convened this meeting at a crucial moment when the very existence of the Party and the state hangs in the balance. This meeting will be inscribed in the annals of history as a victory for the Party. However, we must realize that it will be a long and arduous task to recover from the massive damage Comrade Zhao has inflicted on the Party's cause, overcome all the numerous difficulties he has brought down on us, carry out the sound development of China's socialist modernization, ensure that the national independence for which our martyrs sacrificed their lives will not be lost, and guarantee that the goals of socialist modernization are completely met. We are firmly resolved to foster the spirit of arduous struggle and self-reliance, thrust aside all obstacles, overcome all difficulties and increase our efforts one hundredfold in our work.

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[1] Zhao Ziyang (1919-2005), a native of Huaxian County, Henan Province, was elected General Secretary of the Central Committee at the First Plenary Session of the Thirteenth Central Committee in November 1987. In June 1989, the Report on the Mistakes Committed by Comrade Zhao Ziyang in the Course of the Anti-Party, Anti-Socialism Disturbances was deliberated and passed at the Fourth Plenary Session of the Thirteenth Central Committee, stripping him of all his leadership posts in the Party.

[2] Li Peng (1929-), a native of Chengdu, Sichuan Province, was a member of the Standing Committee of the Central Committee's Political Bureau and Premier of the State Council at the time of this speech.

[3] Cf. "Address to Officers at the Rank of General and Above in Command of the Troops Enforcing Martial Law in Beijing," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 297.

[4] "Theoretical Work Needs to Be Oriented Toward Reality," note 2, p. 32, this volume.

CORRECTLY UNDERSTAND THE ROLE OF TRADE UNIONS*

July 26, 1989

We must depend wholeheartedly on the working class. This necessity is determined by the nature of our Party and state and by our history of hard struggle over the past several decades. The leadership of the working class, the alliance of workers and farmers, and the people's democratic dictatorship are all mandated very clearly in the General Principles clause of the Chinese Constitution:

> The People's Republic of China is a socialist state governed by a people's democratic dictatorship that is led by the working class and based on an alliance of workers and farmers.

The preamble to the Constitution gives an excellent, concise account of the leadership of the Party and of China's modern history. The state power seized in the revolution of the people of all the country's ethnic groups led by the CPC is state power under the leadership of the working class. Ours is a country led by the working class, and if we do not depend wholeheartedly on the working class, upon whom may we depend? We absolutely must not waver on the principle of relying wholeheartedly on the working class.

What is the relationship between relying wholeheartedly on the working class and giving a meaningful role to trade unions? Everyone knows that trade unions are mass organizations of the working class. If we are to depend wholeheartedly on the working class, we must manage trade unions well and have them fully play their role. Trade unions should operate under the unified leadership of Party organizations at all levels. Stressing that trade unions should operate under the unified leadership of the Party does not mean that they should become departments of Party committees, equivalent to Party committees' publicity or organization departments. They should be relatively independent mass organizations of the working class under the leadership of the Party. These two considerations need to be properly grasped; no deviations may be permitted to arise.

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* Excerpt from a speech at a discussion among the participants of the Third Enlarged Meeting of the Presidium of the Eleventh Executive Committee of the All-China Federation of Trade Unions.

Trade unions should organize workers to participate in the deliberation and administration of state affairs. China must have only one type of trade union, not two. Trade unions must be mass organizations of the working class under the leadership of the CPC. They absolutely must not be permitted to become organizations independent from or even in opposition to the leadership of the Party. If such a situation should arise, trade unions need to stand up and oppose it. On the one hand, trade unions need to work under the unified leadership of the Party. On the other hand, they need to be relatively independent and genuinely represent the interests of the workers and safeguard their legitimate rights and interests in accordance with the law. If trade unions do not represent the interests of workers, what use are they to them? At times, workers may disagree with the government on specific issues, and specific conflicts may thus arise. This is not necessarily bad. When such situations arise, trade unions need to uphold the leadership of the Party, fully reflect the aspirations of the workers, strive to integrate long-term with short-term interests and collective with individual interests, and resolve issues via democratic consultative methods. If a trade union ever neglects the interests of its workers, it lacks any basis and therefore forfeits its role. At the same time, it is necessary to emphasize the role of trade unions in educating workers. Lenin said trade unions are a school of communism.[1] Communism is the ultimate goal of Communists. At present, we need to get everyone to understand the superiority of socialism and the need for education in patriotism and collectivism. In brief, trade unions need to uphold the leadership of the Party and fully reflect workers' interests.

Trade unions need to become a channel for promoting socialist democracy. This is very important. Workers, farmers and intellectuals cannot avoid encountering various conflicts or problems in their work and lives. The principles of natural science tell us that when such conflicts and problems accumulate, they acquire a certain energy, which, if it is allowed to continually build up and is not dispelled in a timely fashion, may well have a destructive effect when finally released. So we need a democratic channel to reflect these kinds of conflicts and problems and drain off this kind of energy. Trade unions, as workers' own organizations, understand workers best, and should become an important channel for fully reflecting their opinions and demands.

In short, there are four important points I want to make regarding the role of trade unions: first, they need to work under the unified leadership

of the Party; second, they need to be relatively independent and cannot be equivalent to functional departments of Party committees; third, they need to be a kind of school for raising the ideological consciousness of all workers; and fourth, they need to become a good channel for workers to participate in the deliberation and administration of state affairs and a conduit for promoting socialist democracy, imbued with a sense of leadership, organization and discipline.

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[1] Cf. V. I. Lenin, "'Left-Wing' Communism, an Infantile Disorder," *Collected Works,* Eng. ed., Progress Publishers, Moscow, 1966, Vol. 31, pp. 50-51.

BASIC CONCLUSIONS DRAWN FROM NEW CHINA'S 40-YEAR HISTORY*

September 29, 1989

Looking back at the past 40 years, at least four basic conclusions can be drawn.

The establishment, consolidation and development of the socialist system comes as a manifestation of the objective laws governing the functioning of modern Chinese society, and represents the greatest and most profound transformation in Chinese history. Without the people's revolution to establish socialism, it would have been impossible for China to overthrow imperialism, feudalism and bureaucrat-capitalism and transform the dark world of old China into the brilliant New China. If China had not taken the socialist road and not upheld the people's democratic dictatorship after the founding of the People's Republic, it would not have been able to safeguard national unity and independence, and not been able to gradually realize the dream of bringing prosperity to all of its people. If we do not keep to the socialist road in the future, but return to the capitalist road as some people suggest, and use the sweat and toil of Chinese workers to breed and fatten the bourgeoisie again, then with China's huge population and low level of productive forces, the majority of the people would slip back into extreme poverty. This kind of capitalism could only be primitive comprador capitalism, and the Chinese people of all ethnic groups would once again be reduced to dual enslavement by foreign capitalists and China's own exploiting classes. In short, just as comrades Mao Zedong and Deng Xiaoping have noted, only socialism can save China, and only socialism can develop China.

Socialism is a system that constantly develops and improves on the basis of itself alone. Under socialism, our basic mission is to vigorously develop the productive forces, with economic development as our central task. In speaking of socialist reform, we take China's actual conditions as our starting point and learn from our own practical experience how to adjust the relations of production which are out of synch with the productive

* Excerpt from a speech at a conference marking the 40th anniversary of the founding of the People's Republic of China.

forces and adjust those parts of the superstructure that do not mesh with the economic base, taking into consideration the present level of the productive forces and the objective requirements for their development. Failure to undertake such reform would stifle the innate vibrancy and vitality of socialism and make it very difficult for it to manifest its superiority. The reform and opening up policy has been a component of the Party's basic line since the Third Plenary Session of the Eleventh Central Committee, and it has ushered in a new era in the development of China's socialist cause. The great achievements over the past ten years attest to the correctness of the general principles and policies of reform and opening, and thus they must be unswervingly implemented.

We must give full rein to the spirit of patriotism, while upholding the principle of independence and self-reliance. This is the fundamental conclusion we have reached from the success of the Chinese revolution and from China's experience in building socialism. In contemporary China, patriotism and socialism are united in their essence. History reveals that patriots who resolutely defend the dignity of the Chinese nation and yearn for China's prosperity usually become either faithful socialists or reliable friends of socialism. The Chinese people's spirit of patriotism and self-reliance is a powerful force in China's socialist modernization. Our socialist cause has been consolidated and developed through the course of resisting the efforts of international hostile forces to isolate, blockade and provoke China. The Chinese people have never bowed, nor will they ever bow to any foreign pressure, or abandon the socialist road and national independence in return for charity. We have always welcomed and striven to win the support of the peoples of other countries for our cause. In these new circumstances, we need to place greater emphasis on taking advantage of favorable international conditions and continue opening up the country to accelerate our socialist modernization.

Armed with Marxism-Leninism and Mao Zedong Thought, the CPC is the vanguard of the Chinese working class and the faithful representative of the interests of the Chinese people of all ethnic groups. The Party has taken on the vitally important mission of securing China's independence and promoting its development. The Chinese people correctly chose the CPC to be the leadership core of the Chinese revolution and the country's development on the basis of long experience. The Party has gradually matured in the course of overcoming difficulties, rectifying mistakes and drawing lessons from past experience. The achievements of the last 40

years were attained under the correct leadership of the Party and depended on the efforts of all of the people. The causes of our mistakes and setbacks frequently lie within the Party. Thus the state of the Party is a decisive factor in the fate of our country and nation. So we must strictly and remorselessly analyze and resolutely correct mistakes in our work in order to solve problems within the Party. We must review our experiences from a scientific and historical perspective, and observe reality objectively and comprehensively. As long as we continue to do so, our Party will certainly live up to the expectations of the people and add more illustrious chapters to its annals by fulfilling its new historic tasks.

In light of the above fundamental conclusions, we must more unswervingly integrate the universal truth of Marxism with the concrete realities of China, take our own road and build socialism with Chinese characteristics. Comrade Deng's theory of building socialism with Chinese characteristics is a scientific theory that has been tested through a decade of practice and is now recognized and accepted by millions and millions of Chinese people as the banner guiding our ongoing progress. Throughout the entire primary stage of socialism, we must unswervingly follow the basic line formulated at the Thirteenth National Congress of the Party: leading the people of all our ethnic groups in a unified, self-reliant, intensive and pioneering effort to transform China into a prosperous, strong, democratic, culturally advanced and modern socialist country, while taking economic development as our central task, adhering to the Four Cardinal Principles and continuing to implement the reform and opening up policy.

WE CHINESE HAVE ALWAYS CHERISHED OUR NATIONAL INTEGRITY*

October 31, 1989

Today we have both spoken in the interest of our respective countries. This is a point we share in common. Sino-US relations have developed since you visited China and our two countries issued the Shanghai Communiqué in 1972, and they have improved quickly, particularly since Chairman Deng Xiaoping initiated reform and opening up in China a decade ago. Then why are they so fraught with difficulty today? Quelling the political disturbances in China this year is the country's internal affair, so I do not know why the United States has reacted so strongly. As an old Chinese proverb goes, "It is only the dumbest person who looks for trouble when peace reigns over the land." Our ideological differences lead us to have differing opinions on this event. In addition, rumors have abounded, leaving no firm basis for making judgments, and people can come to believe even the most absurd talk is true if it is repeated often enough. There is an essential point I must make clear. Chairman Deng's reform and opening up policy keeps to the socialist road and will not lead to capitalism. This road is the choice the Chinese people have made on the basis of the lessons learned from their practical experience over many years of struggle. In the wake of the political disturbances, our appraisal of the international situation as a whole has not changed, but an adverse current has suddenly sprung up in the world seeking to criticize and impose sanctions against China, thereby creating a foul atmosphere. China is not the country that is responsible for the atmosphere. Whoever tied the bell around the tiger's neck is the one who has to untie it.

China has always sought to develop friendly relations with other countries, including the United States, on the basis of the Five Principles of Peaceful Coexistence. It has striven in particular to develop economic and trade relations with other countries on the basis of equality and mutual benefit. In addition, all other countries are welcome to invest in China. China has never been a threat to the United States; rather, China represents a huge market and offers splendid conditions for the devel-

*Excerpt from remarks to former US President Richard Nixon.

opment of economic cooperation between the two countries. You just mentioned that some American businesspeople believe China is reneging on the Twenty-two Regulations[1] adopted in 1986 to encourage foreign investment. I can responsibly assure them that China still welcomes their investment and that the Twenty-two Regulations remain in force. When I worked in Shanghai, I proposed four principles for doing business with foreign businesses: 1) mutual understanding; 2) mutual trust; 3) mutually beneficial cooperation; and 4) adoption of a long-term perspective. As far as this last principle is concerned, I told my comrades that they must consider the interests of foreign businesses and that I hoped that neither side would enter into one-off deals, and I still feel this way now. Our statement that we will adhere to the reform and opening up policy is not mere rhetoric. There are two things China needs to do. One is to launch major projects in cooperation with foreign partners, and the other is to improve laws and regulations in this area on the basis of the Twenty-two Regulations. At present, China needs domestic stability and unity as well as a peaceful international environment, so that we can concentrate on economic development. Therefore, China has no reason not to develop sound economic cooperation with the United States.

I cannot assert that the Chinese have a deep understanding of the United States, but I can say that they have a better understanding of it than most Americans have of China. So there are two concepts I would like to discuss. The first is China's opposition to bourgeois liberalization. Some American businesspeople become very upset when they hear these words and doubt it is possible for them to do business in China. In fact, these words have a specific political import: opposing bourgeois liberalization means keeping to the socialist road, upholding the leadership of the CPC, and opposing decadent bourgeois ideas, such as pornography and narcotics, which the American government itself opposes. However, China certainly does not oppose advanced science, technology and managerial expertise and the outstanding cultural achievements of the West, which we not only do not oppose, but wish to learn. The second concept is that of democracy and freedom. When Qian Qichen, who is now China's Foreign Minister, and I took part in underground activities for the CPC in Shanghai years ago, one of our protest slogans was "We want democracy! We want freedom!" Now some young students cry out for democracy and freedom, without actually knowing what kind of democracy and freedom they want. In 1986, some students in Shanghai picked two passages

from the Gettysburg Address by Abraham Lincoln[2] as their slogan, but knew nothing about the historical background against which the address was delivered. I studied the address more than 40 years ago when I was a sophomore in secondary school, and I memorized it by heart. On December 18, 1986, I went back to Shanghai Jiao Tong University (my alma mater) to talk with students and recited the address to them. Before liberation, Jiao Tong University was known as a bulwark of democracy because its students had fought for democracy under the leadership of the CPC. When I went to a Shanghai hospital to visit the students on hunger strike in May of this year, one of them told me that she wanted democracy and freedom. But when I asked her what kind of democracy and freedom she wanted, she did not have an answer. This example shows that some young people lack a correct understanding of what democracy and freedom are. Some of them even thought that democracy and freedom would allow them to do whatever they want. In fact, no government would permit that kind of democracy and freedom. Even though the students held such wrong ideas, we still adopted a tolerant approach toward them. At a meeting I attended at Tsinghua University two months ago, a student involved in the demonstration and hunger strike referred to himself as a rioter. I asked whether the university authorities had ever called him that, and the school president answered that they had not. Then I asked the student why he called himself a rioter when no one else did. We have two general principles concerning young students: we must show them warmth and love, but also impose strict requirements on them. With regard to Chinese students in the United States who were involved in protest demonstrations or signed petitions criticizing China, we will show all of them magnanimity and tolerance and not take action against them. A handful of them did not even shirk from urging the United States to impose sanctions on China in order to obtain USec green cards. Such behavior is diametrically opposed to the national integrity and dignity of the Chinese nation. I am a native of Yangzhou, and a couplet hanging in the Shi Kefa[3] Memorial Hall there reads, “The plums blooming, scattered, are like tears shed for a fallen country; The moon, shining bright, reflects the loyal heart of the old subject.” During the Japanese occupation of China, many Chinese people went to visit this memorial hall to boost their morale when fighting the Japanese. I was a secondary school student in Yangzhou at that time; I went there every week, and it was very edifying. We Chinese have always cherished our national integrity, and never yielded to force. It is under-

standable that some students nowadays want to linger abroad for a while to conduct postdoctoral research, but under no circumstances should they ever lose their patriotic spirit.

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[1] A reference to the Regulations on Encouraging Foreign Investment issued by the State Council on October 11, 1986.

[2] Abraham Lincoln (1809-65) served as the Republican Party President of the United States from 1861 to 1865. He advocated preserving the Union and gradually eliminating slavery in America and led the war against the southern slave states that sought to secede from the Union. He issued the Homestead Act and Emancipation Proclamation. On November 19, 1863, he delivered his famous address at the dedication of the Gettysburg National Cemetery, which was built to honor the soldiers who lost their lives at the Battle of Gettysburg in July 1863. The battle was a turning point in the American Civil War: the Federal army defeated the Confederate forces and thereafter took the initiative in the war.

[3] Shi Kefa (1602-45), a native of Xiangfu, Henan (now in Kaifeng, Henan Province), was a government minister at the Ming Court and the Minister of War in the last days of the Ming Dynasty. In the days of the Southern Ming Dynasty, he acted as Minister of Rites and Grand Secretary of the Eastern Hall. Later, as Minister of War and Grand Secretary of the Hall of Military Prowess, he commanded his troops in defending Yangzhou against the advancing Qing army. Eventually the city fell to the invaders, and he was captured and executed when he refused to submit. The people of Yangzhou built a tomb housing his personal effects on Meihua (Plum Blossom) Hill on the city's outskirts to memorialize him.

DO A GOOD JOB BUILDING AND REFORMING THE ARMY*

November 12, 1989

This enlarged meeting of the Central Military Commission is its first meeting since some changes were made to its membership at the Fifth Plenary Session of the Thirteenth Central Committee, and the main task of this meeting is to discuss and plan next year's work.

Upon Comrade Deng Xiaoping's recommendation, I was appointed Chairman of the Military Commission at the Fifth Plenary Session. Now that the Central Committee and the older generation of revolutionaries have passed this burden along to me, I am deeply sensible of this great responsibility. In the past, I worked for a long time in the civilian sector, and my understanding of the state of the army is limited, although I have a deep feeling for it and have always taken an interest in army building. My former work involved the production of atomic reactors, nuclear submarine facilities, and radar and telecommunications facilities, which directly served national defense research and development, and in the course of which I met various members of the army. When working in Shanghai, I once served as First Secretary of the Shanghai Garrison Party Committee in addition to my other duties, at which time I visited some army units. There are many difficulties to overcome in fulfilling the heavy, historic responsibilities of this position. It is gratifying that many older comrades who have established or led the army are still in good health and that the Military Commission has an excellent collective leadership. I am firmly resolved to work closely with all of you and do everything in my power to do my work well and be worthy of the confidence and great trust the entire Party and army have placed in me.

Great progress was achieved in making the army more revolutionary, modern and standardized in the ten years during which Comrade Deng was in charge of the Military Commission's work. The guiding ideology for army building was strategically transformed based on developments and changes in the international situation and the shift of the focus in the entire Party's work. The army was streamlined and reorganized and its

* Speech at an enlarged meeting of the Central Military Commission.

size reduced by one million men through institutional reform. While striving to become more revolutionary, leading bodies at all levels made their membership significantly younger, better educated and more professionally competent. A number of regulations were promulgated that established a new system of ranks for the army. Improved education and training raised the military and political quality of the troops. Many important achievements were made in the field of defense technology. Whether safeguarding national security and territorial integrity, or dealing with emergencies and providing disaster relief, supporting economic development, and promoting socialist cultural and ethical progress, the army performed an important function and made a significant contribution. Especially during the struggle in late spring and early summer this year to end the disturbances and quell the counterrevolutionary rebellion in Beijing, countless officers and enlisted personnel firmly believed in the correct decisions and orders of the Central Committee, Comrade Deng and the Military Commission. They were loyal to the Party, the motherland and the people, and were not afraid to shed their blood or sacrifice their lives. They maintained strict organization and discipline, manifested a high level of political awareness, and did an outstanding job protecting the People's Republic and the socialist system. It can be said that in these ten years, the army constantly progressed via reform, its combat capacity increased greatly, and its appearance underwent tremendous change, and that these ten years constituted an entirely new stage in the history of army development.

Comrade Deng is the chief architect of our country's socialist reform, opening up and modernization, as well as the chief architect of army building and reform in the new period. All the achievements and progress in army building made in the last ten years are the fruits of his correct leadership and the crystallization of his wisdom and efforts. He integrated Marxism with the real conditions of our army, articulated principles for strengthening army building in this new period, and enriched and expanded Mao Zedong's military thinking. Although Comrade Deng has now retired from his positions, his thinking and theory of army building in the new period are a precious treasure, and serve as a long-range guide for future army building, and we should conscientiously study and implement his thinking and theory.

China's history of several decades of revolution, construction and reform demonstrates that without a people's army, the people would have nothing. The People's Liberation Army (PLA) is the solid cornerstone of

the people's democratic dictatorship and an invincible Great Wall of steel protecting our socialist motherland. In general, the international situation is shifting from tension to rapport and from confrontation to dialogue. Nevertheless, we must remain aware that international hostile forces still seek our demise and that after their military aggression and interference against us failed, they have intensified their efforts to implement a strategy of peaceful evolution toward capitalism by using political, economic and cultural means to infiltrate China any way they can. While resisting peaceful evolution, we must also be aware of other imperialist ploys. Comrade Deng recently indicated that our analysis suggests it is unlikely that another world war will break out, but if one does we would have nothing to fear; we will destroy the invaders and then rebuild. He also stated that if China did not have atomic and hydrogen bombs and artificial satellites, it would not have its present international standing. We absolutely must not slow down our development of defense science and high technology, and we must also strive to close the gap between the level of our conventional weapons and equipment and the world-class level. We must concentrate our strength, give priority to key areas and get results. This will have a bearing on the development of the international strategic situation and world peace. Those within our country who obstinately adhere to their position of bourgeois liberalization definitely will not take their defeat lying down, and will continue to create trouble and carry out all manner of disruptive and subversive activities. If we want to consolidate our socialist system, guarantee the long-term security of our country, and create a stable and peaceful environment for economic development in this situation, we must have a strong army and firm national defense. We will continue to implement the guiding ideology and principles for building the army in the new period and unswervingly work toward the grand goal Comrade Deng set of building a powerful, modern, standardized revolutionary army.

At its enlarged meeting last year, the Central Military Commission adopted the principle of maintaining the stability of the army. This is of great practical significance. At present, maintaining stability is of overriding importance for our country. Without stability, there can be no talk of improving the economic environment, rectifying the economic order, deepening reform or carrying out socialist modernization. The stability of our army is an important factor that plays a decisive role in safeguarding the stability and security of the whole country. If the army always maintains a high degree of centralization and unity and is always prepared and

alert, any problems that may arise will be easy to deal with. Next year and for some time thereafter, reform of the army and all military work needs to focus on maintaining a high level of troop stability, and this will facilitate troop centralization and unity.

Upholding the absolute leadership of the Party over the army is the fundamental principle in army building. This is a fine tradition of the Party and a unique political strength of our army, and one we must thus continue to adhere to and develop. In recent years, a Party leader, when dealing with the two basic points, made the mistake of emphasizing one at the expense of the other. This undermined Party building and the Party's ideological and political work, and allowed the rampant spread of an ideological trend in favor of bourgeois liberalization. This gave us a profound lesson. The army has done well in adhering to the two basic points. It has taken the lead in upholding the Four Cardinal Principles and opposing bourgeois liberalization. The army also proved itself equal to the test in the struggle to end the disturbances and quell the counterrevolutionary rebellion, thus manifesting the effectiveness of work in this area. Historical and present experience shows that we must set strengthening the army politically and ensuring the absolute leadership of the Party over the army as our primary task. We must at all times unwaveringly strengthen Party organizations at all levels and improve ideological and political work so that the army maintains a high level of unity with the Central Committee ideologically, politically and operationally, and always remains politically competent.

For the next two or three years, army building will occur against the background of improving the economic environment, rectifying the economic order and deepening reform. I can confidently assert that after the economic environment improves and the economic order is rectified, the Chinese economy will gradually attain sustained, stable and balanced development. If the economy is doing well, many issues concerning the army will be easy to deal with. However, state finances are presently stretched and the economic situation is grave, so we will not be able to solve many of the army's problems for some time. Concerning the relationship between economic and defense development, the opinion of the Standing Committee of the Central Committee's Political Bureau is that both should receive equal consideration. On the one hand, the army needs to subordinate itself to the overall interests of economic development, continue to be patient, foster a spirit of hard struggle and make allowances for the state's difficulties. On the other hand, national defense expenditures need

to increase annually as the economy develops, so that we can gradually upgrade the army's weapons and equipment and raise the living standards of military personnel. Generally speaking, the army should be entirely funded by the state. The notion of the army developing and improving itself is not feasible and something of which I have never approved. Of course, it is necessary for the army to engage in some production that draws on its particular attributes to compensate for funding shortfalls, but it should not try to become self-sufficient. It would be very dangerous if it devoted all its energy to doing business and earning profits. The central leadership needs to come up with the money to solve the army's problems and also call upon the whole Party and governments at all levels to raise their national defense consciousness and actively provide moral and material support to army building.

Control of the army must be strict. Both Chairman Mao and Comrade Deng always emphasized this. Our army has always been noted for its tight organization, strict discipline and serious attitude, and this is an important reason for its combat effectiveness. A long period of peace and the constant turnover of military personnel can readily give rise to lax command, attitudes and discipline. This means that we must always insist on rigorous training and strict command. Military training is an important way in which troops normally cultivate their behavior, improve their military quality and become better fighters, and we must give it a strategic position, strive to do it well and ensure it gets carried out. Our army must maintain a good image in front of the people of the whole country by maintaining discipline, observing the law, maintaining a military bearing and having an excellent work style. It must be both powerful and cultured.

In a little more than a month we will enter the 1990s. In the last decade of this century, we need to achieve the target of quadrupling our 1980 GNP, and modernization of national defense and the army also needs to develop correspondingly. This historic responsibility has fallen on our shoulders, and one could say that the burden is heavy and the road is long. Governing and strengthening the country requires leaders and the masses be of one mind. To achieve the grand objective of building the country and the army, we need to rely on a correct line, principles and policies and on a united effort by the whole Party and army. As for the army, it is very important for higher and lower ranks and for officers and enlisted personnel to unite, and for the army to unite with the government and the people, but even more importantly, it is necessary for leading bodies of the army

at all levels to unite. Comrade Deng once earnestly said that leading cadres need broad vision and great breadth of mind. This statement should become the motto of all leading cadres, especially high-ranking ones. We can make our troops more cohesive and provide reliable assurances for the success of our cause only if leading bodies at all levels genuinely coalesce and work together with one heart.

Our army has been battle tested for decades under the tutelage of the CPC, and it has overcome countless obstacles and dangers to develop into the powerful military force it is today. The army enjoys the Party's trust and the people's devotion. We need to draw upon and carry forward the fine traditions of the past, do everything we can to succeed, do sound work, proceed along the trail blazed by the older generation of revolutionaries, and do a better job of building and reforming the army.

HONG KONG MUST ENJOY A STABLE TRANSITION PERIOD*

December 6, 1989

I have perused Mrs. Thatcher's letter[1] and am gratified by her positive attitude toward relations between our two countries. She noted that both countries are members of the United Nations Security Council and therefore have a major responsibility for peace and stability in the world. On this we agree. She further indicated that Britain is abiding by the Sino-British Joint Declaration on the Question of Hong Kong, and we welcome this.

The main topic of my remarks today is how to improve Sino-British relations on the political front, including the question of Hong Kong. Comrade Deng Xiaoping has offered an excellent suggestion concerning this question — the concept of "one country, two systems." This innovative concept opened up the way for the governments of China and Britain to resolve the question of Hong Kong through negotiation. In 1984, China and Britain issued a joint declaration on the question of Hong Kong, which was the result of a long period of effort and cooperation on the part of the two countries. We have always respected this joint declaration. Unfortunately, the West launched an anti-China barrage following the political disturbances that occurred in China in late spring and early summer of this year, coupled with many events in Hong Kong that we wish we had not witnessed. The handling of these disturbances is China's internal affair. China has the right to manage its own affairs.

A famous passage from the poem "Returning Home" by the ancient Chinese poet Tao Yuanming[2] goes, "I know the past can't be reproved, But the future can be improved." I agree with Mrs. Thatcher when she said we must look to the future. China has always held the belief that a country's social system is formed by its history and should be chosen by its people. China has a socialist system and Britain has a capitalist system, but this should not prevent the two countries from developing friendly and cooperative relations and bidirectional trade. Speaking on the concept of "one country, two systems" with many Hong Kong industrialists

* Excerpt from remarks to Percy Craddock, the British Prime Minister's special envoy and foreign policy advisor.

and businesspeople and the members of the drafting committee for the Basic Law of the Hong Kong Special Administrative Region (HKSAR), I used this Chinese saying, "Well water does not intrude into river water." Some of the people from Hong Kong had trouble understanding this, saying, "Well water does not intrude into river water, but river water can certainly intrude into well water." In point of fact, my complete sentence was, "Well water does not intrude into river water, nor does river water intrude into well water."

For those of us who participated as youngsters in the student movement, our purpose then was to oppose the autocratic Kuomintang (KMT) rule of Chiang Kai-shek and to secure democracy and freedom. The objective of all the CPC's struggles since its founding has been to foster people's democracy and bring happiness to the people. There is no such thing as absolute democracy or absolute freedom. The political system of a country is closely connected to that country's history, culture and traditions, as well as its level of economic development. In light of the long history and culture of Hong Kong and the way its people express their opinions, the democratization of its political system should proceed in an orderly and step-by-step manner. Mrs. Thatcher said that Britain could not ignore the "will of the Hong Kong people." On the issue of the will of the people, it is important to determine whether the people are truly expressing their opinions or whether they are being manipulated. In Western countries, the so-called "will of the people" is often closely tied to the implementation of the guidance and intentions of those in power. What some Hong Kong people are saying represents the "will of the people" does not actually represent the will of the people, but only the personal motives of certain individuals who are trying to create chaos. Instability in Hong Kong would not be good for the British Hong Kong authorities or for China and Britain. It would only present a threat to Hong Kong's stability and prosperity.

Hong Kong must enjoy a stable transition period in the run-up to the handover date of July 1, 1997. I hope that both sides will take into consideration the fundamental interests of Hong Kong and reach agreement on the question of the will of the people. On the economic front, I hope the British side does not initiate any excessively large-scale infrastructure projects requiring large amounts of capital. If there are too many large-scale infrastructure projects, it will be difficult to complete them all in the run-up period, creating problems for Hong Kong. It seems that Britain intends to make resolution of the question of the number of seats to the Legislative

Council[3] to be filled by direct election a prerequisite for progress on other issues in relations between our two countries, but I believe we should look at the larger picture.

We are keeping a close watch on the situation in Eastern Europe, but China is very different from those countries. First, the CPC has always maintained close ties with the masses since its founding and has matured through a long period of bitter struggle, whereas the communist parties of some Eastern European countries have evolved from the social democratic parties of those countries. Second, our army has been tested over a long period of time and is now a Great Wall of steel. Third, we obtained political power through a long period of armed struggle, unlike some countries of Eastern Europe that were liberated by the Soviet Army. Fourth, the Chinese people have their own fine traditions and place great importance on national integrity, so we will never yield to outside pressure. Any issue may be resolved with us through fair and reasonable negotiation, but applying pressure will never work. The more pressure is applied, the more we will resist. The two sides should take all factors into consideration in working to restore relations between the two countries and negotiate and discuss the resolution of issues concerning Hong Kong on the basis of the joint declaration. In addition to domestic factors, there was certainly also an international background leading to the political disturbances that occurred in China in late spring and early summer of this year. There were those in the international community who assessed the situation incorrectly, believing that since some socialist countries were in chaos and about to founder, China only needed a push to go down as well. However, they were totally unprepared for the fact that China, with a population of more than 1.1 billion, a land area of 9.6 million square kilometers and a history of civilization stretching back more than 5,000 years, would not go down so easily!

China and Britain both wish to abide by the joint declaration and both hope that Hong Kong will remain stable during the run-up to the handover. The Hong Kong question is entirely a matter for China and Britain to resolve, and no third country shall be allowed to interfere. Any instability that occurs in Hong Kong while it is under the control of the British Hong Kong authorities is not in the interests of either China or Britain. Both countries would like to see Hong Kong remain stable and prosperous after China resumes its exercise of sovereignty over Hong Kong in 1997, and this is in Britain's best interests as well. The two sides must be sincere in their cooperation. If both sides are sincere, any difficulty can be

surmounted. As long as both parties approach specific issues in a spirit of cooperation, they will not be too difficult to resolve. I hope that both sides remain vigilant, because there actually are people who do not want to see Hong Kong remain stable and prosperous.

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[1] Margaret Hilda Thatcher (1925-) is a member of the British Conservative Party. She served as Prime Minister of Britain from 1979 to 1990. She visited China on December 18-20, 1984. On December 19, the Chinese and British heads of government formally signed the Sino-British Joint Declaration on the Question of Hong Kong.

[2] Tao Yuanming, also known as Tao Qian (365, 372 or 376-427), a native of Chaisang, Xunyang (now in southwestern Jiujiang, Jiangxi Province), was a poet in the Eastern Jin Dynasty.

[3] In the more than 140 years after the British Hong Kong Legislative Council was established in 1843, its members were all appointed by the governor of the region on behalf of the British Royal Family. Britain began to introduce representative government in Hong Kong in the late 1970s and early 1980s after China expressed its principled stand concerning its resumption of the exercise of sovereignty over Hong Kong. This was an attempt to turn Hong Kong into an independent political entity and extend British influence there as much as possible after the handover. In 1985 the British Hong Kong authorities introduced indirect election of the Legislative Council, i.e. election through an electoral college and functional constituencies, to elect 24 members. In 1988 the British Hong Kong authorities issued a white paper entitled "The Development of Representative Government: the Way Forward" and pointed out that in 1991 the Legislative Council would have ten seats filled through direct election. In the late 1980s the international situation was highly volatile. Believing this presented a good opportunity to speed up the pace of direct election of the Legislative Council without regard to the objections of China, the British government exerted pressure on the Chinese side using the pretext of the "will of the people." The Chinese government, in view of actual conditions in Hong Kong, advocated increasing the number of directly elected seats in an orderly, step-by-step manner and demanded that the British side adhere to the provisions of the Basic Law of the HKSAR in making electoral arrangements. China and Britain held a number of consultations and negotiations on this issue. In 1990 the Chinese and British governments exchanged seven letters through their foreign ministers, finally reaching a consensus on the number of seats to be directly elected in geographical constituencies for the British Hong Kong Legislative Council in 1991 and 1995 and for the first three terms of the Legislative Council of the HKSAR and confirming that the last British Hong Kong Legislative Council would have 20 seats directly elected in geographical constituencies in 1995. This conformed to the provisions of the Basic Law of the HKSAR concerning the composition of the first HKSAR Legislative Council.

LOOK TO THE FUTURE IN DEVELOPING SINO-US RELATIONS*

December 10, 1989

General Scowcroft, President Bush[1] has sent you here and taken a number of flexible measures in order to improve Sino-US relations and overcome difficulties currently plaguing relations between our two countries. Our two sides are working in the interests of our respective countries. The first time Mr. Nixon[2] visited China, he stated that his visit was to further American interests. At that time Premier Zhou Enlai set forth an important principle that both sides should first of all look for points of agreement. You just talked about how America views the changes taking place in the world situation and the results of the summit meeting between the heads of the United States and the Soviet Union. It reminded me of the first sentence of the classical Chinese novel *Romance of the Three Kingdoms,* "The empire, long divided, must unite; long united, must divide." The world situation is constantly changing, and in this changing world, our two countries have many things in common. First of all, both China and the United States have an obligation to safeguard peace and development in the world. Good Sino-US relations are beneficial to both parties and are also in the interest of world peace and development. Second, our two countries also have some common interests in the Asia-Pacific region. Many economists have predicted rapid economic development of the region. Friendship and cooperation between China and the United States are also very important for the stability and prosperity of the region. Third, there is great potential for economic and trade cooperation and technological exchanges between our two countries. China has a population of more than 1.1 billion and its economy is experiencing sustained development. This makes it a market with huge potential that provides excellent conditions for our two countries to strengthen cooperation.

This does not mean we need to ignore the disagreements between China and the United States. These differences have existed ever since the two countries issued the Shanghai Communiqué in 1972. First, the most

* Excerpt from remarks to Brent Scowcroft, special envoy from the US President and Assistant to the President for National Security Affairs.

prominent difference is the Taiwan question. Our policy on the Taiwan question is very clearly expressed in the concept introduced by Comrade Deng Xiaoping of "peaceful reunification and one country, two systems." At a recent news conference, a reporter asked me if we would promise to renounce the use of force to resolve the Taiwan question. I said that we could not make this promise, but that we truly hoped to resolve the Taiwan question by peaceful means. Second, there is a difference in ideology. China practices socialism and the United States practices capitalism, but this should not present a barrier to the two countries developing relations, nor should it affect exchanges and cooperation or development of Sino-US relations on the basis of the Five Principles of Peaceful Coexistence.

In this ever-changing and tumultuous world, China and the United States can and should find many common interests and a great deal of common ground. We believe that as long as the two sides look to the future and truly take the need to safeguard the common interests of our two peoples and the basic interests of world peace and development as our starting point, there is great potential for Sino-US relations to improve.

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[1] George Herbert Walker Bush (1924-) is a member of the US Republican Party. He served as Chief of the US Liaison Office in China from 1974 to 1975 and was US President from 1989 through 1993.

[2] Richard Milhous Nixon (1913-94) was a member of the US Republican Party. He served as US President from 1969 to 1974. He gradually adjusted US policy on China during his term as President. In July 1971 he sent Henry Kissinger, Assistant to the President for National Security Affairs, on a secret mission to China to engage in talks to improve Sino-US relations, breaking the long-term freeze in relations between the two countries. With his visit of February 21-28, 1972, Nixon became the first sitting US President to visit China. China and the United States released the Shanghai Communiqué on February 28, marking the beginning of normalization of their relations.

STRIVE TO MAKE THE PARTY INTO A STAUNCHER VANGUARD OF THE WORKING CLASS*

December 29, 1989

The theme for this workshop on the theory of Party building is very clear, and you have engaged in earnest, free and thorough discussions that resulted in many good suggestions and have met the goals set for this workshop. I felt that I learned a lot and benefited greatly by reading your workshop bulletins and talking separately with some of you. Today, I would like to express my opinion on eight issues as my contribution to this workshop.

I. Fully Recognize the Importance and Urgency of Party Building

In accordance with Comrade Deng Xiaoping's opinion that "It is high time that this Party was rectified; there can be no delay,"[1] the Thirteenth Central Committee adopted important measures to strengthen Party building after its Fourth Plenary Session. Party organizations at all levels have done a great deal of work in this area and the results have already begun to show. This has made the people and the entire Party happy. The problem now is that we need to fully recognize the grave situation facing the Party, the arduous historic tasks entrusted to it, the serious threat posed by international hostile forces due to their intensified efforts to promote a strategy of peaceful evolution toward capitalism, and the importance and urgency of strengthening Party building in the new circumstances. All Party members must work hard together to improve the Party to ensure that socialist China can stand any test and remain invincible.

Our Party and country are in a crucial period. Domestically, a very small number of people pursuing bourgeois liberalization stirred up anti-Party, anti-socialist political unrest and a counterrevolutionary rebellion with the support of international hostile forces in late spring and early summer of this year. These political disturbances were finally quelled

* Speech at a workshop on the theory of Party building sponsored by the Publicity Department, the Policy Research Office, the Organization Department and the Party School of the Central Committee.

thanks to the resolve and courage of the Party and the support of the masses. However, domestic and international hostile forces will not take their defeat lying down. Our struggle in support of the Four Cardinal Principles and against bourgeois liberalization will be protracted and complex. If we are to maintain political stability in the country and continue to make steady progress in socialist modernization, reform and opening up, we must solve a series of complex problems. This will be a daunting task. International hostile forces are intensifying their efforts to promote a strategy of peaceful evolution toward capitalism by supporting, buying over and cultivating anti-Communist Party and anti-socialist forces in socialist countries. The unfolding of this situation has already made it clear that this is a continuation of the long-term worldwide conflict and struggle between two social systems and two ideological systems and that this is an indication that this conflict and struggle are again intensifying as the international situation eases. This struggle has an important bearing on the future of the Chinese people and that of socialism and the people of the world. No matter how the political landscape and the balance of power in the world may change, the most important responsibility we Chinese Communists have is to continue successfully improving the Party and carrying out socialist modernization.

To successfully improve the Party, we must have a correct understanding of it. On the whole, the CPC is a great party with its own character and advantages. The Party is armed with Marxism-Leninism and Mao Zedong Thought. It is a party that has been tested in protracted wars and by all kinds of difficulties and hardships and has a strong membership. It closely controls an army that is loyal to the motherland, to the people and to socialism and that has a strong combat capability. The Party serves the people wholeheartedly and maintains close ties with them. It is the ruling party of a large country with a population of more than 1.1 billion and has been working hard to develop the economy over the past 40 years. This has been particularly true over the last decade since it made economic development its central task, while upholding the Four Cardinal Principles and the reform and opening up policy, thereby making huge strides in developing the country and improving people's lives. It has gained a wealth of experience in the struggle against imperialism and all types of opportunism. Of course, we also need to be fully aware that due to a period of relaxation and even neglect of Party-building efforts, the problems of the emergence of impure ideology, unhealthy organizational practices

and poor work style in the Party have become quite serious, and have been particularly exacerbated by the spread of bourgeois liberalization and the activities of international hostile forces intended to foment peaceful evolution toward capitalism. We must not underestimate these problems or take them lightly. We must observe the overall domestic and international situations from a Marxist stand, face reality and look to the future. We must have a strong sense of revolutionary responsibility and urgency, fully mobilize and rely on the strength of the entire Party to strengthen Party-building efforts, strictly manage all aspects of the Party and work hard to improve its overall militancy.

II. Preserve the Nature of the Party as the Vanguard of the Working Class

How can we follow the guidelines for strengthening Party building? What kinds of requirements need to be clarified? The most fundamental and important issue is to continue to transform our Party into a stronger vanguard of the Chinese working class, one armed with Marxism-Leninism and Mao Zedong Thought. Strengthening this vanguard means making it theoretically more mature, ideologically more uniform, and politically stronger; strengthening unity among its members; and improving its relations with the masses, so that it is a strong core that leads the people of all our ethnic groups in building socialism with Chinese characteristics. This requirement reflects the Marxist theory of party building, conforms to the demands of the new circumstances and tasks, and meets the needs of the Party's basic line, and thus it should be taken as the fundamental guiding ideology and objective that we must adhere to in strengthening Party building for the present stage.

The CPC clearly declared itself to be the vanguard of the Chinese working class on the very day of its founding. Although various currents of thought denying or misrepresenting the nature of the Communist Party have emerged in China and abroad over the past six decades, we have always adhered to the nature of the Party as the vanguard of the working class. Why have we stood firm on this issue? It is because of our scientific understanding of the objective laws governing social and historical development. As we all know, Marxism revealed long ago that human society will inevitably develop from a class society to a classless one free of exploitation and oppression, and this is a general trend that cannot be changed

by human will. The only force that is capable of leading such social reform is the working class. With its close connection to modern large-scale industries, the working class has a strong sense of organization and discipline, is resolutely and thoroughly revolutionary, is capable of shouldering the responsibility of freeing the entire human race, and represents the advanced productive forces and relations of production and the fundamental interests of all the people. The working class cannot be displaced from this historical position and role by any other class. The working class became the master and leading class of the country following the founding of the People's Republic of China. During the course of socialist construction, the working class expanded rapidly, and its overall educational level rose. As members of new generations of the working class mature in large numbers, its internal composition and work methods are undergoing great changes. Moreover, the number of intellectuals who are part of the working class has increased substantially. These changes, however, have not altered and will not alter the class nature and historic mission of the working class. Our Party is not only a class organization of the working class, but also its vanguard. Only the vanguard of the working class, the Communist Party, can organize the working class in its struggle to attain its ideals. The working class needs the Party, and the Party cannot do without the working class. Only by making it clear that the nature of the Party as the vanguard of the working class must be preserved will we be able to better understand the historical position of the Party and its lofty mission, grasp the essence of the Marxist theory of party building and ensure that our Party building proceeds in the right direction.

It is of great practical significance to preserve the nature of the Party as the vanguard of the working class. On the basis of recent changes in class conditions and class relations in China and the technological revolution taking place around the world, some people are trying to deny that the working class is the representative of advanced productive forces and the leading class of the country, thereby denying the class foundation and the nature of the Party, and ultimately denying its leadership position. This is a countercurrent we must resolutely combat.

Preserving the nature of the Party as the vanguard of the working class should be incorporated into all aspects of the Party's activities. In formulating and carrying out specific principles and policies in accordance with the Party's basic line, we must always reflect the wishes and interests of the working class and the people. Politically, we need to resolutely

safeguard the working class's position as the country's leading class and support and lead the people in their role as masters of the country. We need to wholeheartedly rely on the working class and the masses in our work. In our organizational work, we must pay close attention to attracting outstanding workers, particularly frontline industrial workers, to join the Party, and we must ensure that people from other classes and strata of society who wish to join the Party meet the criterion of being soldiers in the vanguard of the working class. In addition, we need to conscientiously improve the Party's work among workers, increase their sense of responsibility as masters of the country and as participants in the historic mission of carrying out socialist modernization, guide them in constantly raising their political consciousness and overcoming their weaknesses, and train the working class to become a strong class that truly has advanced class ideals, socialist moral values, a good grasp of modern science and culture, and a strong sense of discipline.

III. Uphold and Strengthen the Party's Governing Position and Leadership Role

The leadership of the Communist Party is a fundamental guarantee for successfully fulfilling the historic mission of the working class. The Chinese people chose the leadership of the Communist Party and the socialist road. This consensus was reached through a protracted and bitter struggle, and it reflects the inevitability of historical development. In the early days of New China, imperialists predicted that the Communist Party could only destroy the country and could not lead its development. In recent years some people in China have also begun to doubt or even oppose the leadership of the Party. History and recent events have repeatedly shown that if China is to follow the socialist road, it cannot do so without the leadership of the Communist Party. Without the leadership of the CPC, there would be no socialism in China. We must stand firm on this issue and clearly distinguish truth from falsehood.

The CPC is China's ruling party, and its leadership must be manifested through its governance of the country. We must increase our awareness of governance and improve our governance capacity. China's Constitution stipulates that all organizations of state power at every level, including people's congresses, governments and judicial organs, must accept the leadership of the Communist Party. Any major issue concerning prin-

ciple or policy must be discussed by a Party committee before decisions are implemented by all concerned bodies. Leading Party groups in each organ of state power must be responsible to the Party committee at the same level, and Party members serving in these organs must carry out the Party's resolutions and accept its oversight. Of course, the Party does not exercise state power itself, and it cannot replace the functions of organs of state power. The Constitution of the CPC stipulates, "Leadership by the Party means mainly political, ideological and organizational leadership." The primary issue here is that we must have strong political leadership, that is, correct leadership concerning the line, principles, policies and political orientation. Political leadership forms a unified and inseparable unity with ideological and organizational leadership. Ideological leadership is an important prerequisite and basis for political and organizational leadership. Organizational leadership is an important guarantee for political and ideological leadership. We need to effectively integrate these three to successfully adhere to a socialist orientation in political, economic, cultural and other matters and give full rein to the Party's leadership role in reform and development.

While strengthening the Party's leadership, we also need to diligently improve the way the Party exercises its leadership and carries out its activities. We must steadfastly continue to press ahead with political restructuring. However, we must be clear that this type of reform is not intended to weaken the Party's leadership, let alone eliminate it. Rather, the purpose of reform is to strengthen and improve the Party's leadership. First, we must correctly balance efforts to separate Party functions from government functions and efforts to give full rein to the leadership role of the Party. Under the unified leadership of the Party, the powers and responsibilities of Party organizations and organs of state power at all levels and the administrative bodies of enterprises and institutions need to be further clarified in accordance with their respective functions. Second, we need to ensure that Party organizations at different levels and in different areas perform their specific functions, and make full use of primary Party organizations as political nuclei and bastions while preserving the unified top-to-bottom leadership of the Party. Third, while preserving Party supervision of cadres, we need to improve the way we supervise them and continue to reform the cadre system. The Party's supervision of cadres is an organizational guarantee for its effective leadership. We need to carefully draw lessons from past experience to address the issue of how best to balance central-

ized and decentralized supervision and balance supervision at various levels and in different regions and departments in the cadre supervision system. Fourth, the Party must maintain leadership of trade unions, the Communist Youth League, women's federations and other mass organizations, and strengthen Party organizations in them. The Central Committee will issue a document concerning this work,[2] and we must diligently implement it to improve our leadership work in these organizations.

The system of multiparty cooperation and political consultation under the leadership of the CPC, which came into existence over a long period of time, is suited to China's conditions. Under this system, the CPC maintains leadership over all political affairs in the country, rather than various political parties assuming power on a rotating basis. The role of the democratic parties in the exercise of state power is to cooperate with the CPC and participate in the deliberation and administration of state affairs, rather than being parties out of power or opposition parties. We must maintain the stability of this pattern in order to preserve political stability in China. The Central Committee will also be issuing a document concerning this area of work.[3] You can be sure that relations between the CPC and the democratic parties will become increasingly more closely guided by the principle of long-term coexistence, mutual oversight, sincerity, and sharing of both good and bad times. Some people seek to set up a Western-style multiparty or bipartisan system in China, but this is not compatible with either China's history or its current conditions, and it contravenes the charters of the democratic parties and the wishes and interests of the masses. Such a system absolutely would not work in China.

IV. Give Top Priority to Ideological Matters in Party Building

Stressing ideology in Party building is a creative contribution Comrade Mao Zedong made to the Marxist theory of party building. Strengthening the Party ideologically is also an important guarantee for maintaining its nature as the vanguard of the working class and for constantly improving its militancy; this is a basic lesson learned from experience. Doing well in this area will make it easier to solve problems in improving the Party's organization and work style. Therefore, to build the Party more effectively, we must first strengthen it ideologically.

The Party is now leading the people in the great struggle of socialist modernization, and we are bound to encounter many complex circum-

stances. Grave situations at home and abroad and the conflicts and struggles between different social and ideological systems often test every Party member. In particular, the spread of the tide of bourgeois liberalization; the bewitching effect of slogans calling for "democracy," "freedom" and "human rights;" and the unchecked growth of egotism, money worship and national and historical nihilism have for some time seriously harmed the Party by sowing a great deal of confusion in the minds of some Party members. In spite of these tendencies, we have slackened efforts to strengthen the Party ideologically. This was a mistake. Faced with major issues of principle, some Party members were not able to tell right from wrong, lost their way and followed erroneous trends of thought. Some Party members sympathized with, supported and even participated in the unrest to varying degrees. The fact that problems of all kinds were exposed in the Party tells us that we urgently need to strengthen the Party ideologically and raise the ideological and political standards of all of its members.

One of the direct and practical goals of stepping up efforts to strengthen the Party ideologically is to get many Communist Party members to truly become Party members ideologically. The Party has more than 48 million members, nearly 70 percent of whom joined the Party during or after the Cultural Revolution. Party membership has expanded rapidly, but efforts to strengthen the Party ideologically have lagged behind. Many comrades have joined the Party organizationally, but they have not joined it ideologically or not done so fully. Long-term Party members also have the problem of constantly needing to improve themselves ideologically in line with changing situations and tasks. The basic policies the Party has formulated since the Third Plenary Session of the Eleventh Central Committee on the basis of the current conditions in China are correct and cannot be doubted or altered. However, in carrying out current policies, especially when developing the socialist planned commodity economy, Party members must never stray in the least from their communist ideals, convictions and moral standards or fail to fortify their ability to resist the corrosive influence of the ideas of the exploiting class and other non-proletarian classes. A few years ago we stressed the importance of establishing sound intra-Party rules and regulations in order to standardize the actions of Party members. This is absolutely correct, and we will continue to do so. However, this institutional work must be combined with efforts to strengthen the Party ideologically. Only by raising the ideological standards of every Party member and by cultivating their Party spirit can we institute sound rules and regulations.

To strengthen the Party ideologically, we need to conduct a systematic, thorough and sustained campaign beginning now to educate all of its members in the basic theories of Marxism-Leninism and Mao Zedong Thought, and in particular in Marxist philosophy, the Party's basic line and basic Party knowledge. We definitely need to include education in Party spirit in these three areas of basic education and pay particular attention to equipping Party members with a Marxist worldview and methodology. One of the major reasons why our Party is so strong is that we have always taken the Marxist theoretical system as our worldview and guide to action. A party that is not armed with advanced theories cannot become an advanced party, a Communist Party member who is not armed with advanced theories cannot become a progressive soldier, and those who refuse to arm themselves with advanced theories cannot possibly ever acquire real Party spirit and thus can never be qualified to be members of the vanguard of the working class. We need to organize sessions for Party members, especially leading Party cadres, to read classic Marxist works selected in light of the current international and domestic situations, conflicts and struggles. The Central Committee recently issued the Notice on Setting Up a Sound Study System for Leading Cadres at the Provincial and Ministerial Level. I hope all concerned Party organizations will diligently implement it. We need to not only understand and uphold the basic tenets of Marxism, but also do theoretical research on and review our recent experience in Marxism to enrich and develop it. This is particularly important at present. We must properly deal with this issue so the Party will mature theoretically and guide practical matters related to reform, opening up and modernization more effectively.

The Party has always insisted that while changing the objective world we must also change the subjective world. For this reason, the Party has always advocated using the tools of criticism and self-criticism to carry out vigorous ideological struggle to strengthen the Party ideologically. We long ago created a formula for properly correcting confusion in the Party between correct and erroneous ideology and between advanced and backward ideology: unity — criticism and self-criticism — unity. This is a basic lesson we have learned from experience for strengthening the Party ideologically. Some comrades believe that criticism and self-criticism are "Left" practices and that vigorous ideological struggles will undermine unity. They are actually playing a role in covering up erroneous ideology, words and actions and allowing them to exist in the Party. Some other people regard

criticism as "beating people with a big stick" or persecuting them, but they themselves are guilty of recklessly slandering Marxism and unreasonably criticizing comrades for adhering to correct principles. Confounding black and white like this demands a firm response. The Party has always adhered to the principle that we must uphold the truth, correct mistakes and clearly distinguish right from wrong on all major issues of principle in order to make our ideology clear and unify our comrades. Criticism and self-criticism are the tools we use to safeguard the purity of the Party and improve its militancy. All Party members must learn to use these tools correctly in intra-Party activities. Even more importantly, leading cadres need to set an example in this regard so that the Party's fine work style can shine with a new luster.

V. Improve Democratic Centralism to Strengthen the Party's Solidarity and Unity

Democratic centralism is the Party's fundamental organizational principle. It also represents a basic guideline that must be followed in intra-Party activities and an essential institutional guarantee for ensuring that decision making is scientific and democratic. This highly democratic and centralized system of dialectical unity is an embodiment of dialectical materialism and historical materialism in the organizational and institutional structure of the Party and a creative application of the Party's mass line in its organizational and institutional makeup. The basic starting and end point of this system is to fully mobilize the initiative and creative spirit of Party organizations at all levels and all Party members, and pool the correct opinions of the entire Party under the leadership of the Central Committee so that everyone can work together as one in the interests of the people. We have revived and upheld democratic centralism in intra-Party activities since the Third Plenary Session of the Eleventh Central Committee. Overall the situation is satisfactory, but there is still the problem of insufficient democracy and centralism in relations between the Central Committee and local committees, between higher and lower organizations, and between individual Party members and the Party organization. This is partly an issue of understanding, but in most cases it is a problem of implementation, as well as the problem that certain aspects of the system need to be improved. We must give full rein to and expand democracy in intra-Party activities. Failure to do so by letting just one person have the say is sure to

lead to irregularities in intra-Party activities. We cannot forget, however, that the Communist Party not only needs to promote democracy, but even more importantly needs to practice centralism on the basis of democracy, which is also a requirement of democracy itself. If we were to simply stress democracy without centralism, we would be going against democratic principles, which would lead to extreme democratization and eventually to anarchy. We would then not be able to accomplish anything.

Democratic centralism and the Party's political line interact with each other. Generally speaking, when the political line is correct, the principle of democratic centralism is adhered to fairly well. At the same time, when the principles of democratic centralism and collective leadership are properly applied, we are less likely to make mistakes in the Party's line and policies, and even when we do make a mistake, it is easy to correct it. The Party follows a Marxist political line, and we need to use this line to guide us in improving intra-Party political activities and in further improving the specific rules for democratic centralism to ensure that the Party's line is better implemented.

Every Communist Party member must abide by the principle of democratic centralism. This is one of the most important aspects of Party discipline. This area of Party discipline has been deteriorating for some time now, and some Party members, especially certain leading cadres, make arbitrary decisions and act peremptorily in intra-Party activities instead of abiding by decisions made in accordance with the principle of democratic centralism. Some people have attempted to set up an opposition faction in the Party and openly opposed the Party's platform and line. None of this can be tolerated. If we are going to be strict with Party members, we must be strict in this regard, too. From now on, we must conscientiously work to improve and strictly abide by the intra-Party oversight system. Whoever does not abide by the principle of democratic centralism must be criticized, and whoever undermines it must be properly punished. Party committees at all levels need to support discipline inspection bodies in boldly carrying out their duties and exercising the functions and powers conferred on them by the Party's Constitution.

VI. Maintain the Party's Close Contact with the People

What clearly differentiates the CPC from all other political parties is that we serve the people wholeheartedly and maintain close ties with

them. The Party was founded, developed, expanded and matured while maintaining close ties with the people and fighting together with them. The Party cannot be separated from the people, and the people cannot be separated from the Party. Conditions under which the Party serves the people improved after it became the ruling party, but at the same time, the danger of the Party becoming estranged from the people also increased. In recent years, corrupt phenomena, such as abusing power for personal gain and receiving bribes to pervert justice, have been spreading, and punishment measures have not been effective in stemming the tide. This has bred discontent and concern among the people. In addition, domestic and international reactionary forces and people with ulterior motives have taken advantage of this situation to stir up trouble. All this has severely damaged the Party's close ties with the people. This has also damaged the Party's prestige and threatened its grip on the people's political power. The entire Party from top to bottom must resolutely abide by a principle of strict adherence to Party discipline and take effective measures to solve this problem in accordance with the arrangements of the Central Committee.

We need to conduct a Party-wide education campaign on Marxist historical materialism to criticize any idealist conception of history that denies or plays down the position and role of the people in social progress and resolutely foster the scientific conception that the people are the deciding force behind historical progress. We need to create a good environment in which all Party members firmly believe in the masses, rely closely on them, put their interests first, are responsible to them in everything they do, and conscientiously learn from them. All leading cadres need to frequently visit rural areas, factories and schools; meet with the masses to understand their sentiments and listen to their comments; and work hard to solve their urgent practical problems. Party organizations at all levels must resolutely oppose and curb bureaucracy, subjectivism, commandism and other erroneous tendencies of all types that harm relations between the Party and the masses. We absolutely cannot afford to ignore these phenomena and let them go unchecked.

"Policy and tactics are the life of the Party."[4] We must be extremely careful in handling any policy-related issue that affects the vital interests of the people. Under socialism, the fundamental interests of all the people are the same, but different classes and strata of society each have their own specific interests. In formulating and implementing policies, we must carry

out numerous investigations and evaluations and make overall plans that balance national, collective and individual interests. We need to take immediate interests into account while also serving fundamental, long-term interests. We need to consider not only the overall interests of the country, but also the practical demands of the masses. To maintain our close ties with the masses, we need to first of all maintain close ties with the country's workers by respecting and safeguarding the legitimate political and economic interests of the working class and its position in society and doing everything possible to create conditions to allow workers to give full expression to their historical spirit of initiative. Intellectuals are a part of the working class. We need to continue to improve and earnestly carry out the Party's policy concerning intellectuals so they can fully play a positive role, and also guide them so they can make full use of their strengths, overcome their weaknesses, and make constant progress in serving socialism and the people and in staying grounded in reality and united with workers and farmers. Chinese farmers are reliable allies of the working class in China. They constitute a basic force of socialist modernization that is composed of a great number of people. We must adopt appropriate policies to constantly solidify and strengthen the worker-farmer alliance.

The mass line is the fundamental working line of the Party. It is a scientific leadership and work method our Party created in conformity with its nature and the Marxist theory of knowledge. Revolutionaries of the older generation — such as Comrade Mao — brilliantly expounded on the issue of the Party's mass line. Comrade Deng spoke systematically and thoroughly on this issue in his report on the revision of the Party Constitution at the Eighth National Party Congress, in which he took into account the new situation facing the Party as the ruling party of China. Some comrades who have become leaders at various levels in recent years do not understand or are not familiar enough with the principles and methods of the mass line. Some others have been enthusiastically copying Western management methods while underestimating or denying the scientific mass line of the Party. They have sown confusion in the minds of some of our cadres and prompted them to work impetuously. Now it has become necessary to organize Party members and cadres to study the Party's theory of the mass line again so they understand how it works and learn how to use it. Genuinely learning how to apply the Party's mass line will require a long process during the course of which we must correct our mistaken views, transform our worldview and improve our work methods and work style. This can-

not be accomplished without diligent effort. We also need to draw lessons from recent experience in economic development and reform to further enrich and develop the Party's mass line.

VII. Ensure That Leadership Cores at All Levels Are Composed of Persons Loyal to Marxism

Ensuring that the leadership at all levels of the Party and government is in the hands of persons loyal to Marxism is a strategic issue of vital importance that has a direct bearing on whether the Party and government thrive or fail. We have learned many lessons from history and the recent past on this issue. We have accomplished a great deal in recent years in ensuring that young and old cadres cooperate with each other and that young cadres succeed old ones, but this is a process that has been going on throughout our history and one that will never end. International hostile forces are attempting to subvert the third and fourth generations of Party members as part of their plan to bring about peaceful evolution toward capitalism. In these complex circumstances, we must use great foresight and adopt effective measures to ensure the quality of the leading bodies at all levels is high so that the cause championed by the proletarian revolutionaries of the older generation will be carried forward for generations to come.

Members of the leading bodies of Party committees and organs of state power at and above the county level nationwide are the nuclei of cadres and shoulder great responsibilities. We need to work hard to ensure that all the collective leaderships at and above the county level are made up of people who are truly loyal to Marxism, and we should gradually mold thousands upon thousands of them into strong, mature Marxists. To accomplish this, Party organizations at all levels need to work very hard to cultivate comrades who can serve as the nucleus of the leadership. Concentrating only on selecting personnel while neglecting their cultivation is shortsighted and backward. We need to set up and put into operation two systems for cultivating quality leaders — a system to train cadres in Party and cadre schools at all levels on a rotating basis in a planned, step-by-step manner, and a system that combines actual work experience and training to improve cadres' ability. We will succeed in everything we do if we train competent personnel who are loyal to Marxism.

The Party's principle of making cadres more revolutionary, younger,

better educated and more professionally competent is a comprehensive scientific and interconnected principle as well as a concrete manifestation of the principle of combining both moral integrity and professional competence under the new conditions. We need to make the revolutionary nature of candidates a prerequisite in selecting, placing and training personnel. When we speak of being revolutionary, the most important thing is to have a firm loyalty to Marxism. Only people who study diligently, work hard in practice and truly believe in Marxism can form a scientific worldview; correctly understand and implement the Party's line, principles and policies; steadfastly pursue the purpose of serving the people wholeheartedly; and be steadfast in their socialist orientation. Only people like this can correctly size up a situation, be firm in their stand, unflinchingly face difficulty and danger, and courageously press forward in a complex environment. In order to meet the demands of the new historical period, leading cadres also need to diligently study and master the science and culture needed to carry out modernization. We need to be careful to preserve relative stability in the leadership. Necessary adjustments in the leadership should be carried out resolutely on the basis of careful review and investigation. We need to courageously promote outstanding cadres who firmly upheld the Marxist stand at crucial moments, energetically implemented the Central Committee's policy decisions, resolutely combated bourgeois liberalization and the unrest and rebellion, and also perform well in other areas. Persons who advocated a bourgeois liberalization viewpoint and stand, who sat on the fence when faced with major issues of right and wrong, and who abuse their power, neglect their duties and take bribes cannot be retained in the leadership. Anyone in the leadership who supported or participated in the unrest must be strictly dealt with in accordance with the relevant regulations of the Central Committee.

In making adjustment in the leadership, we need to pay close attention to regular improvement in the ideology and work style of leaders. Relaxation of efforts to improve leaders' ideological standards and work style has become a widespread problem in recent years. From now on, we need to work to improve the Party's collective leadership system, improve its oversight and restraint mechanisms, strictly ensure that leading cadres participate in democratic meetings, encourage them to uncover and solve problems, and strengthen mutual understanding and support among leaders. When leading groups quibble over minor issues, are beset by discord, engage in empty talk without taking action, practice deception, say one

thing and do another, become weak and lax, and do not adhere to proper principles, the bodies with authority over them must investigate such problems, take appropriate measures on a case-by-case basis, and order such bodies to rectify their mistakes within a specified time.

VIII. Accord High Priority to Studying, Researching and Propagating the Marxist Theory of Party Building

The Marxist theory of party building is a theoretical tool for strengthening proletarian parties and an important component of Marxism. The theory involves the study and clarification of the objective laws governing the founding, development and self-improvement of political parties of the working class as well as the objective laws governing how parties lead the people in seizing, consolidating and exercising political power, and how they build socialism. The founding, development, consolidation and strengthening of the CPC were made possible by the integration of Marxism with the Chinese workers' movement and by the guidance of the Marxist theory of party building. Like all of Marxist theory, the Marxist theory of party building is not a dogma, but a guide to action. It must be constantly tested, enriched and developed through practice and through the struggle against anti-Marxist theories of all kinds.

Our Party has always attached great significance to theoretical work related to Party building. Revolutionaries of the older generation such as comrades Mao and Deng made great contributions to the enrichment and development of the Marxist theory of party building based on the Party's experience in this regard during different historical periods. In recent years, study, research and propagation of this theory have clearly fallen short of the demands of the objective situation and the acute and complex struggles we are engaged in. We have not been doing enough to systematically organize study and propagation of the Marxist theory of party building in the Party, and we have been doing even less to research and criticize erroneous viewpoints that disparage, distort or falsify Marxist tenets on party building emerging in the Party and in society. To this day there is still quite a bit of serious ideological and theoretical confusion in this regard.

In order to make the Party theoretically more mature, ideologically more unified, politically stronger, and internally more united, while deepening its ties to the people, we must start working now to resolutely intensify our study, research and propagation of the Marxist theory of party

building. Members of Party committees at and above the county level should take the lead in this regard, starting with the principal leaders. Party schools, newspapers and periodicals and people working on the theory of Party building need to fully carry out their functions. In accordance with the principle of integrating theory with reality and in light of new developments and problems directly affecting Party building, we need to conscientiously have discussions on theory, draw a clear line between the Marxist theory of party building and anti-Marxist theories of party building, study the various viewpoints advocating opportunism in the Second International,[5] firmly and forcefully uphold correct viewpoints, refute wrong viewpoints, and clarify points of confusion. It is particularly important for the Party's current and future development that we educate all Party members and cadres in the Marxist theory of party building and arm them with this theory. Party organizations at all levels should make plans for this work so they can effectively carry it out for a long time to come. If we are successful in this task, Party-building efforts will reach a new level, and the Party will take on a new face, do a better job fulfilling its responsibility to lead the great cause of building socialism with Chinese characteristics, and make new and ever greater contributions to China, to the Chinese nation, and to the working class and the people of the entire world.

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[1]"Urgent Tasks of China's Third Generation of Collective Leadership," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 304.

[2]A reference to the Notice on Strengthening and Improving the Party's Leadership over Trade Unions, the Communist Youth League and Women's Federations, prepared by the Central Committee on December 21,1989.

[3]A reference to the Guidelines on Upholding and Improving the System of Multiparty Cooperation and Political Consultation Under the Leadership of the CPC, prepared by the Central Committee on Decembter 30,1989.

[4]"A Circular on the Situation," *Selected Works of Mao Tse-tung*, Eng. ed., FLP, Peking, 1961, Vol. IV, p. 220.

[5]Opportunism within the Second International was a political trend that went against the fundamental principles of Marxism. The Second International was established in Paris, France, in July 1889 as an internationally united organization of social democratic parties and socialist workers' organizations in various countries. Under the guidance and influence of Engels, it basically adhered to the revolutionary stand in its early years. After his death in 1895, opportunism developed rapidly in the parties in the Second International, and Rightists, represented by Eduard Bernstein, and Centrists, represented by Karl Kautsky, occupied positions of leadership. After the outbreak of World War I, the Second International collapsed because most of the social democratic parties supported the participation of their own bourgeois governments in the imperialist war.

THE ENTIRE PARTY AND ALL OF SOCIETY MUST ADOPT A MARXIST VIEW OF WOMEN*

March 7, 1990

International Women's Day, which falls on March 8, was born from the aspirations of countless oppressed women who yearned for freedom and demanded equality. From the day of its birth, it has become a banner around which working women all over the world have united and fought for liberation. Women's movements have sprung up around the globe over the past 80 years. Women's demands for liberation and equality with men have already become an irreversible historical tide in the international community.

The women's liberation movement underwent a difficult yet glorious course in China. When the thinking of the bourgeois democratic revolution spread to China, this movement burst forth brilliantly for a brief moment in our country's modern history, only to quickly collapse when the bourgeois-led democratic revolution failed. It was only when it became an organic component of the proletarian revolutionary movement under the leadership of the CPC that the women's liberation movement flourished and grew as never before. In 1924 when International Women's Day was first celebrated in China — in Guangzhou, the center of the Great Revolution — the women's liberation movement already manifested great vitality and strength in the heat of its revolutionary fervor. For the next several decades, during the historical course of China's revolution and construction, the movement gradually assumed a relatively complete form and, alongside the workers' movement, peasant movement and youth movement, became an important wing of our country's great revolutionary mass movement.

The CPC applies the basic tenets of Marxism and the Marxist view of women to guide the women's movement. The Marxist view of women adopts a worldview and methodology of dialectical materialism and historical materialism to scientifically analyze and generalize such basic issues as the evolution of women's social position, their social roles and rights, and the path to achieve women's liberation. This view of women is an integral part of the Marxist theoretical system. Its main content is as follows.

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* Speech at a meeting celebrating the 80th anniversary of International Women's Day.

First, the oppression of women is a social phenomenon of a certain development stage in human history. In ancient times, men and women were equal. It was only when private ownership and class divisions arose that women were deprived of the right to own property. They were excluded from social labor and reduced to the status of mere household slaves and dependents of men. This situation is the product of certain historical circumstances, so it will inevitably be replaced by equality between men and women in new historical circumstances.

Second, the degree of female emancipation is a natural yardstick for measuring the general level of liberation. In a society based on private ownership, women occupy an oppressed position, and their oppression is in essence an indicator of a special type of class oppression. Not only is this situation determined by social and economic systems and safeguarded by social and political systems, but it also permeates people's thinking via their social consciousness. Therefore, women's liberation can be achieved only through the social liberation of all who have been exploited and oppressed.

Third, participating in social labor is an important prerequisite for women's liberation. People's position in society and the family is in the final analysis determined by their position in social production. Engels noted, "Here we see already that the emancipation of women and their equality with men are impossible and must remain so as long as women are excluded from socially productive work and remain restricted to private domestic duties."[1] This prerequisite can be truly and completely realized only under a socialist system.

Fourth, women's liberation is a long historical process. It is restricted by the relations of production and the productive forces and influenced by the level of material production and the level of cultural and ethical progress. Overthrowing a social system in which human oppresses human and establishing a regime in which the people rule their country provide a fundamental guarantee for liberating women and making men and women equal. However, it is very difficult to get from de jure equality to de facto equality.

Fifth, women play a vital role in creating human civilization and promoting social development. Both women and men drive human history forward, and they both contribute to material, cultural and ethical progress, so they should be accorded the same dignity and respect and enjoy the same rights and position. Women have a unique value in and make a unique

contribution to human reproduction. Respect and protection for women are important indicators of a society's progress, and should be reflected in a civilized society's laws and mores.

In integrating the universal tenets of Marxism with the concrete realities of China's revolution, the CPC has always used the basic tenets of Marxism and the Marxist view of women to analyze, investigate and solve issues concerning women. In each stage of our country's revolution and construction, our Party had clear instructions and decisions concerning the women's movement to ensure that it constantly developed in the right direction.

There is a famous saying by Comrade Mao Zedong that is both philosophical and passionate, "The day when women stand up will be the time when the Chinese revolution succeeds."[2] This statement expresses both his ardent wish for Chinese women to rise up in the revolution and his warm praise of their historic role in it. The struggle by China's women for their liberation was part and parcel of the struggle for the liberation of the proletariat and the masses and of the Chinese nation. During the long revolutionary war, Chinese women fought heroically, advanced in wave after wave, did not hesitate to sacrifice their blood and lives, and thereby made an indelible contribution to history.

The founding of New China brought historic liberation to all Chinese women. The Common Program, an interim Constitution passed at the First Plenary Session of the Chinese People's Political Consultative Conference (CPPCC), clearly proclaimed that the People's Republic of China "shall abolish the feudal system which holds women in bondage." It also stipulated, "Women shall enjoy equal rights with men in political, economic, cultural, educational and social life. Freedom of marriage for men and women shall be put into effect." From this point on, all successive versions of China's Constitution and relevant laws and regulations set forth the rights of women more clearly and completely. The Party and state also adopted a series of policies and measures that created excellent conditions for women to participate in social production and in the deliberation and administration of state affairs, to receive an education and to marry freely.

Under socialism, the wisdom and ability of the women of all our country's ethnic groups, which had formerly been shackled, were fully liberated. Women came to see themselves as rulers of their own country and threw themselves into the struggle to eradicate the vestiges of feudalism, participated widely in socialist construction and other social ac-

tivities, and played an irreplaceable role in industrial and agricultural production, and in education, science, culture, health and other fields. The ranks of working women constantly grew, and countless women became cadres, academics and experts. Women constituted a vital contingent in our country's socialist construction, and they progressively won more and more social acceptance and praise. Since the Third Plenary Session of the Eleventh Central Committee, women have liberated their minds still further; become stronger and more self-supporting; adhered to the Party's basic line; and devoted themselves to the great work of socialist modernization, reform and opening up. They have also made outstanding contributions to safeguarding political stability and unity; developing the economy; raising the level of the productive forces; enriching the fields of education, science and culture; and promoting socialist cultural and ethical progress. Their boundless wisdom and great strength are constantly being put to ever better use.

A review of the historical course of Chinese women's movement prompts this basic conclusion: without the leadership of the CPC and the guarantees of the socialist system, Chinese women would not have been liberated. The Chinese people made the historical choice to uphold the leadership of the CPC and keep to the socialist road and this was the only way for Chinese women to achieve liberation.

Many changes have occurred in the contemporary world, and many new situations and problems have arisen; however, peace, development and human progress are an irreversible historical tide. We must unwaveringly go our own way on the basis of the line laid out at the Third Plenary Session of the Eleventh Central Committee, the guiding principles of the fourth and fifth plenary sessions of the Thirteenth Central Committee, and Deng Xiaoping's grand blueprint for building socialism with Chinese characteristics.

The next ten years are a pivotal period for achieving the overall strategic goals of our country's socialist modernization, as well as an important juncture that will determine whether the future of the Chinese nation will be one of prosperity or decline, honor or disgrace. We must always maintain social stability; consolidate and expand political stability and unity; conscientiously improve the economic environment; rectify the economic order; deepen reform; carry out sustained, stable and balanced economic development; and quadruple our country's 1980 GNP by the end of the century. To complete these tasks, we must rely on all the people, including

women. Without the heroic struggle and conscious dedication of the women of all ethnic groups, who make up half our country's population, the great success of China's revolution, construction and reform could never have been achieved.

Chinese women have a fine tradition of exerting themselves for their country and bringing credit to their nation. In the present important historical period, women of all ethnic groups and sectors of society must increase their confidence; strengthen their unity; correctly balance individual and national interests as well as immediate and long-term interests; build their country and run their homes industriously and frugally; and contribute to improving the economic environment, rectifying the economic order, deepening reform, stabilizing society and developing the economy. They must actively advocate a scientific, healthy, civilized lifestyle; eradicate all kinds of antiquated, undesirable customs and feudal superstitions; consciously practice family planning; painstakingly raise the next generation; and play an important role in promoting socialist cultural and ethical progress. The women of the mainland should promote the great cause of reunifying the motherland and rejuvenating the Chinese nation arm in arm with the women of Taiwan, Hong Kong and Macao.

The Party and the government have high expectations for all of our women. So that you can better assume your responsibilities, I hope you will strive to improve yourselves; study culture, science and technology; enhance your self-respect, self-confidence, self-support and self-improvement; further develop your sense of historic mission and social responsibility; and become new, socialist women with high ideals, moral integrity, a good education and a strong sense of discipline.

Women bear heavy burdens both at home and at work, and they will encounter all kinds of difficulties on the road ahead. Party committees and governments at all levels need to listen to what women have to say, show concern for their hardships, safeguard their legitimate rights and interests, and strive to dispel their worries and resolve their problems. They need to effectively strengthen leadership of the work of women's federations and help them deal with the difficulties and problems in their work. All sectors of society should strive to do more that is of practical benefit to women, and all of society must cultivate an enlightened, progressive view of women.

[1]Frederick Engels, "The Origin of the Family, Private Property and the State, in the light of the researches by Lewis H. Morgan," in Karl Marx and Frederick Engels, *Collected Works*, Eng. ed., Progress Publishers, Moscow, 1990, Vol. 26, p. 262.

[2]"Speech at the Opening Ceremony of China Women's College," *Chairman Mao Zedong Discusses Women*, Chin. ed., People's Publishing House, Beijing, 1978, p. 8.

ADHERE TO AND IMPROVE THE SYSTEM OF PEOPLE'S CONGRESSES*

March 18, 1990

Comrade Deng Xiaoping said, "In the reform of the political structure, one thing is certain: we must adhere to the system of the people's congresses instead of practicing the separation of judicial, executive and legislative powers on the American pattern."[1] This statement is very important. It shows two things: first, our political restructuring must unwaveringly move forward; and second, adhering to and improving the system of people's congresses is an important aspect of political restructuring. Establishing a high level of socialist democracy and a complete legal system is one of our fundamental goals and tasks as well as the common wish of all the people. Since the Third Plenary Session of the Eleventh Central Committee, the Central Committee has repeatedly stressed that socialism and socialist modernization would be impossible without democracy. Carrying out political restructuring means promoting what is beneficial while eliminating what is harmful, and improving socialist democracy with Chinese characteristics. We must keep a firm grasp on the banner of socialist democracy under all circumstances.

What is most important for improving socialist democracy is to adhere to and improve the system of people's congresses — our country's basic political system. It is the crystallization of our Party's long experience in developing the state power of the people, as well as a unique feature and advantage of the way the Party directs state affairs. Our practical experience since the founding of the People's Republic, and especially over the last ten years, shows that the system of people's congresses embodies our country's nature and is suited to our national conditions. It ensures that the whole people can exercise state power in a unified way, fully arouses their enthusiasm and initiative to be masters of their country, and is beneficial for the organs of state power to apportion tasks yet cooperate and jointly organize socialist construction. Of course, this system still requires continued improvement, and the work of people's congresses needs to be

* Excerpt from a speech at a meeting of the responsible Party members attending the Third Session of the Seventh NPC and the Third Session of the Seventh National Committee of the CPPCC.

furthered and strengthened. We particularly need to conscientiously study, on the basis of our national conditions, how to better adhere to the Four Cardinal Principles and the reform and opening up policy, strengthen the building of socialist democracy and the socialist legal system, and get people's congresses to better play their role.

Ours is a governing party, and it governs by exercising leadership over organs of state power. If this kind of leadership were discarded, then it would be impossible for it to remain in power. Organs of state power at all levels, including people's congresses, governments, courts and procuratorates, must all submit to the Party's leadership, and any thinking or action that weakens or undermines it is wrong. Of course, Party and government organs have different natures, functions, organizational forms and methods of work, so the Party cannot supplant people's congresses in exercising state power. The Party exercises its political, ideological and organizational leadership by formulating political principles, pointing the political direction, making policy decisions on important matters, doing ideological and political work, and recommending cadres to important positions in organs of state power. The Party needs to excel at using legal procedures to transform its positions on important state affairs into the will of the state. Therefore, how to fully exploit the role of people's congresses without compromising the leadership of the Party in any way is a very important question.

First, strengthening the leadership of the Party and getting the organs of state power to play their role are mutually compatible. The most essential aspect of the Party's leadership over the country's political life is organizing and supporting the people in being masters of their own country. China's system of people's congresses is a system of people's democracy under the leadership of the Party. This system can fully function only under the leadership of the Party; moreover, strengthening and improving the system of people's congresses can strengthen the leadership of the Party. The Party led the people in establishing state power, and it also needs to lead and support the organs of state power in fully exercising their functions and achieving the will of the people. This does not weaken the Party's leadership; on the contrary, it strengthens it.

Second, the Party needs to respect and support people's congresses in exercising their powers in accordance with the law. People's congresses are organs of state power, as well as an important channel via which the Party maintains contact with the people. Party organizations at all levels need to respect the position accorded to people's congresses and their stand-

ing committees by the Constitution and laws and emphasize their role. All important decisions taken by the Central Committee concerning state affairs that are to be decided by the NPC need to be referred to the NPC to become the will of the state via legal procedures. Localities should act likewise. We need to adhere to the principle of the Party having control over cadres, while also supporting people's congresses and their standing committees in exercising their power of appointment and removal of personnel in accordance with the law. Whenever a Party organization at any level recommends a candidate for any position over which a people's congress has the power of election, appointment and removal, that organization needs to respect the opinion of the people's congress. After the recommended candidate is decided upon, the leading Party group of the people's congress should strive to do its work well to get the Party's decision implemented, and everything it does must strictly comply with legal procedures. Relative stability needs to be maintained in the body of government cadres appointed through the people's congress election process. Party committees at all levels need to give their work concerning people's congresses an important place on their agendas, periodically listen to reports by the leading Party groups in the congresses, discuss and study the congresses' work, and take an interest in their development. Leading Party groups in people's congresses need to establish a sound system of soliciting instructions from and submitting reports to the Party committees at their same level, and ensure that the Party's line, principles and policies are carried out in the work of their people's congresses.

Third, Party organizations at all levels, including leading Party groups in people's congresses, need to comply with the principle stated in the Party Constitution that "The Party must conduct its activities within the framework of the Constitution and laws," and the provision in the national Constitution that "No organization or individual is privileged to be beyond the Constitution or laws." Our Party led the people in enacting the Constitution and laws, and it must now lead the people in observing them. The Constitution and laws embody the unity of the Party's position and the people's will. When Party members abide by the Constitution and laws, they are complying with the will of the people and obeying the leadership of the Party. Nothing that Party organizations and Party members, especially leading cadres, say or do may conflict with the Constitution and laws. Strengthening the Party's leadership is consistent with fully promoting democracy and handling all matters strictly in accordance with the law.

I have a few recommendations for improving the system of people's congresses under the leadership of the Party and getting the congresses to better play their role in important state affairs that I would like you comrades to consider.

1. We should continue to improve all the functions of people's congresses and their standing committees, especially legislation and oversight work.

People's congresses and their standing committees need to take the Party's basic line as their guide, conscientiously perform all the duties the Constitution and laws assign to them, and take strengthening socialist democracy and the socialist legal system as their central task. They need to further improve their legislative work. Since the founding of the People's Republic, and especially during the last ten years, our country has made outstanding legislative achievements, and we basically already have laws to observe in the main areas of political, economic and social life. However, our body of laws is still not complete, and there remains much legislative work to do. At present, we need to promptly enact new and improve existing laws guaranteeing civil rights and safeguarding social stability and people's normal lives; enact laws guaranteeing reform and opening up and establishing macro-control; enact laws concerning the development of agriculture, transport, energy, education, science and technology; and enact new and improve existing laws governing criminal punishment and promoting clean government. In order to further improve the system of people's congresses, we need to make necessary amendments to the Electoral Law of the NPC and Local People's Congresses and the Organic Law of the Local People's Congresses and Local People's Governments. Oversight over the implementation of law needs to be tightened. At present, the phenomena of lax law enforcement and laws being widely ignored are relatively common in practice, and the people are very dissatisfied with this situation. If we allow this to continue, it will undermine the solemnity and authority of the law and imperil social and national stability. People's congresses and their standing committees need to boldly and confidently oversee law enforcement, and administrative, judicial and procuratorial bodies need to adopt effective measures to correct the problem of lax law enforcement and laws being widely ignored, and the even more severe problem of people in a position of authority overriding the law by fiat. We need to increase cadres' and the masses' understanding of the Constitution and their consciousness of the law through education to get them to strictly observe the principles set forth in the Constitution, exercise their

rights properly and execute their duties purposefully.

Of all the types of oversight that exist in the life of our country, oversight by people's congresses, which are organs of state power, is the highest. Oversight of the work of the people's government, people's courts and people's procuratorates is an important duty of people's congresses and their standing committees. This type of oversight is both a kind of limitation and a kind of support and impetus. Oversight of work should focus on important issues, such as the implementation of the governments' work reports, plans, budgets, resolutions and decisions adopted by people's congresses; important matters concerning improving the economic environment, rectifying the economic order and deepening reform; emergencies; and clean government in state agencies. People's congresses need to do their oversight work both boldly and well, and their goals of oversight will be met only if these two requirements are both fulfilled.

2.We should bring people's congresses at all levels closer to the people and better exploit the role of deputies to the congresses.

In the Decision on Increasing the Party's Ties with the People, adopted at the Sixth Plenary Session of the Thirteenth Central Committee, a fundamental issue was raised concerning comprehensively strengthening Party building, which is also an important means for achieving the Party's general goals and general tasks in this new historical period. People's congresses and their standing committees, which represent the masses, should also increase their contacts with the people, represent them even better, and accept their oversight. Deputies to people's congresses and members of their standing committees need to always follow the mass line, thoroughly conduct investigations and studies and fully reflect the opinions of all sides. In this way, the laws and decisions they make will accord with objective reality and with the interests of the people. The appearance of conflicts and problems is inevitable in the course of development of the socialist cause. If we distance ourselves from the masses or do not lead them well, these conflicts and problems cannot be handled well and social stability will be affected. Thus it is necessary to ensure that democratic channels remain open and that the correct opinions of the masses are collected so they can be used as a basis for Party and state policy. People's congresses should become the main democratic channel linking us with the people, reflecting their sentiments and resolving their conflicts. A good deputy to a people's congress is one who first, stays in touch with the masses; second, is adept at reporting their correct opinions to the people's congress; and third,

when people's opinions are manifestly incorrect, boldly upholds principle, takes the standpoint of the interests of the people, and patiently explains things to and persuades the people. At present, there are nearly four million deputies to people's congresses at all levels across the country. They constitute a very important force, and we need them to fully play their role as bridges to the people. The Party needs to improve its work concerning people's congresses at all levels and make use of deputies to the congresses to understand the demands of the masses from all walks of life and listen attentively to the people's views and criticisms. Responsible leaders of the Party and government need to hold heart-to-heart talks with deputies from all sectors of society; doing so will help them find out what is going on, increase their understanding and deal with problems.

3.People's congresses and their standing committees should undertake self-improvement.

In recent years, people's congresses at all levels have achieved great success, which are inseparable from the strenuous efforts of those engaged in this work. As our country's socialist modernization and its reform and opening up deepen, the burdens on people's congresses and their standing committees are becoming increasingly heavier; this means that people's congresses at all levels and their standing committees need to emphasize self-improvement. They need to increase their study of Marxist theory, the Constitution, laws, and the Party's line, principles and policies to constantly raise their theoretical level and work competence. Standing committees of people's congresses need to include a certain number of older people with rich experience, but they also need people in the prime of life, as well as people with professional knowledge, so that standing committees incorporate a good mix of ages and a broad spectrum of expertise. The organs of the standing committees and the places where members of the standing committees work need to actively create conditions to enable them to carry out their duties. We also have to improve the work system of people's congresses and their standing committees and special committees to further proceduralize and institutionalize their work.

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[1]"Address to Officers at the Rank of General and Above in Command of the Troops Enforcing Martial Law in Beijing," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 299.

PRESERVING THE STABILITY AND PROSPERITY OF HONG KONG IS A BASIC STATE POLICY OF CHINA*

March 20, 1990

The work of drafting the Basic Law of the HKSAR has been in progress for a number of years now, and it will be submitted to this session of the NPC for deliberation and approval. In general, talks between China and Britain made good progress between the issuance of the Sino-British Joint Declaration on the Question of Hong Kong and the first half of last year. But I have the impression that after the political disturbances that occurred in late spring and early summer of 1989, some people in Western countries thought China was in real trouble and decided to take advantage of the situation and kick China when it was down. Mrs. Thatcher[1] sent her special envoy Percy Craddock, a former ambassador to China and her foreign policy advisor, to China to deliver a letter to me. In the letter she guaranteed that Hong Kong would not be used as a base to subvert China and that the Hong Kong question would not be internationalized. The largest issue she raised in the letter was that of the number of seats to the Legislative Council to be filled by direct election.[2] China and Britain had already reached an understanding on this issue, yet she suddenly proposed greatly increasing the number. I feel there is a certain amount of pressure implicit in this. It seems as though Britain would like us to accept certain conditions under pressure and increase the number of seats filled by direct election as a condition for Britain lifting the sanctions it has imposed on China. This will not work. China has a great deal of national integrity. The Chinese people will not be humiliated. China will strongly object if Britain tries to take advantage of China's current predicament by trying to "loot the house while it is burning" and we will not bow to pressure.

If the handover of Hong Kong in 1997 is to go smoothly, the handover process must have continuity. Why does Britain suddenly want Hong Kong to be more "democratic"? Hasn't Britain always boasted about how well it ran Hong Kong? Political power in Hong Kong has long been con-

* Excerpt from remarks to Ng Pock Too, member of the Parliament of Singapore and political secretary to the Prime Minister.

centrated in the hands of the governor and now Britain is loudly calling for "democracy." There is no other explanation for this sudden change of heart than that Britain feels that the international environment presents a good opportunity to pummel China. In fact there is no such thing as absolute democracy and no unified standard defining democracy. Each country has the democracy suited to its own conditions. Though Britain has practiced capitalism for centuries, it is still a constitutional monarchy. If Britain plays the democracy card and brings chaos to Hong Kong before 1997, Britain will be responsible for the consequences. Britain's second card is the proposed plan to use HK$ 120 billion, or US$ 15 billion, to build a group of large infrastructure projects such as an airport and a port facility. It will take about 20 years to complete these projects. Feasibility studies and design work will have to be done in the first few years of this period and then the British will be leaving. This is like throwing a party and expecting Hong Kong to foot the bill. I am not saying this plan is completely out of the question, but the two parties need to negotiate the matter. Britain decided to give 225,000 Hong Kong residents — that is 50,000 family households — the right to reside in Britain, and called on Australia and Canada to follow suit. This is a way of internationalizing the issue. Britain will still have considerable interests in Hong Kong after 1997. In my reply to Mrs. Thatcher's letter, I told her that preserving the stability and prosperity of Hong Kong is a basic state policy of China and that a stable and prosperous Hong Kong is beneficial to both parties. Britain is playing with fire by playing the democracy card. We are not making threats; we are just talking sense. Preserving the stability and prosperity of Hong Kong is in the interests of both China and Britain. Britain should also be working to strengthen the confidence of the Hong Kong people. We guarantee that Hong Kong will continue to practice its current capitalist system after it returns to the motherland, and you can count on our word. Some people have cooked up a scheme to spend a billion pounds sterling to continue renting Hong Kong after 1997. Even for 10 billion or even 100 billion pounds, I would not sell out Hong Kong. I would never be a second Li Hongzhang![3]

Chinese people should have a sense of national integrity. After all, Hong Kong has been under British rule for a long time and some people there have received a British education since early childhood, so it is understandable that they should have some doubts about certain issues. But we must be clear that Hong Kong is Chinese territory and that our Hong Kong compatriots are Chinese people. Hong Kong was forcibly separated

from China following the Opium Wars, which was a national humiliation. We will do a good job in our work relating to the industrial and commercial sectors and members of professions to ensure that they feel safe. We will do more than just talk to convince expert personnel to stay in Hong Kong; we will take concrete action. Hong Kong needs a talented workforce.

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[1] "Hong Kong Must Enjoy a Stable Transition Period," note 1, p. 80, this volume.

[2] Cf. *Ibid.,* note 3, p. 80.

[3] Li Hongzhang (1823-1901), a native of Hefei, Anhui Province in the Qing Dynasty (still known today as Hefei, Anhui Province), served as an important military and administrative official in the late Qing Dynasty. Beginning in 1870 he served concurrently as Governor of Zhili (now Hebei) Province and Minister in Charge of the Northern Coastal Provinces. He was responsible for military, foreign and economic affairs of the Qing government for a long period of time. He represented the Qing government in directing the signing of a series of humiliating and unfair treaties such as the Sino-British Yantai Treaty, the Sino-French New Treaty, the Sino-Japanese Treaty of Shinomoseki, the Sino-Russian Secret Pact and the Peace Treaty of 1901 with 11 countries including Britain. Under the terms of these treaties China relinquished sovereignty, ceded territory and paid indemnities.

PATRIOTISM AND THE MISSION OF CHINESE INTELLECTUALS*

May 3, 1990

The May 4th Movement was a great anti-imperialism, anti-feudalism movement, as well as a new cultural movement to emancipate people's minds and pursue democracy and science. It symbolizes the beginning of a whole new phase of China's democratic revolution and embodies the Chinese people's ardent wish for and firm faith in patriotism, revolution and progress. A large number of progressive intellectuals stood in the front ranks of the May 4th Movement; fought an all-out, unyielding battle against imperialism and feudalism; and played the role of vanguard and bridge. The patriotic spirit they displayed, compared with the patriotism manifested in other periods of China's history, is in its essence more progressive and clearly reflects the tenor of the times. A number of intellectuals with the highest level of political consciousness embraced Marxism-Leninism, a powerful ideological tool for understanding and transforming China, and began to unite with workers and peasants, the most powerful social force for the Chinese revolution. It was through their efforts that Marxism-Leninism became integrated with China's workers' movement, out of which the CPC was born. This was a great contribution intellectuals made to modern Chinese history. The people's revolution and socialist construction led by the CPC gave intellectuals their own place in history and provided boundless opportunities for them to serve their country.

I would like to discuss the issues of promoting the patriotic tradition, the mission of Chinese intellectuals and the Party's work concerning intellectuals.

I. Draw upon and Carry Forward the Patriotic Tradition in the New Historical Circumstances

Throughout Chinese history, patriotism has always been a banner mobilizing and encouraging the people to unite in struggle and a common ideological pillar for the people of all our ethnic groups. It has played an

* Speech at a youth meeting in the capital to commemorate the May 4th Movement.

important role in safeguarding national unity and ethnic solidarity, resisting foreign aggression and stimulating social progress. Inspired by the patriotic spirit, our country and people have ceaselessly strengthened themselves with a powerful cohesiveness and vitality.

Patriotism is a historical concept, and it has different specific meanings at different stages of social development and at different times. The patriotism we are talking about is one that embodies the people's deep feelings and lofty fervor for their motherland and is intimately linked to promoting historical development and safeguarding both national independence and the people's fundamental interests. At the time of the new-democratic revolution, patriotism was principally manifested in a dedication to overthrowing the reactionary rule of imperialism, feudalism and bureaucrat-capitalism, and to transforming the dark, old China into a bright, new China. At present, the principal manifestation of patriotism is contribution to developing and safeguarding socialist modernization and to reunifying the motherland. Comrade Deng Xiaoping has observed, "We, the Chinese people, have our national self-respect and pride. We deem it the highest honour to love our socialist motherland and contribute our all to her socialist construction. We deem it the deepest disgrace to impair her interests, dignity or honour."[1] This is an incisive summary of the nature of patriotism in our country today.

In China today, patriotism and socialism are fundamentally the same. The establishment of the socialist system consolidates and develops the fruits of the new-democratic revolution; provides reliable assurances and a bright future for social progress and the development of our productive forces; and fully embodies the fundamental interests of the state, nation and people. The more than 40 years of socialist construction have already transformed our country from one in which our people lived in destitution surrounded by devastation to one that is beginning to become prosperous and strong. Socialism is the historical choice of the Chinese people and the only way China can achieve modernization. Today, all socialist workers and all patriots who support socialism are becoming increasingly aware that only socialism can save and develop China. Patriots who support national reunification have already contributed and are still contributing to reunifying and strengthening the motherland, and we believe more and more people will become friends of socialism. We have put forward the principle of "one country, two systems" in order to promote the grand endeavor of national reunification. We do not require all patriots who support the re-

unification of the motherland to endorse the socialist system the mainland practices, but as long as they endorse "one country, two systems," we can enhance our unity with them.

In present-day China, patriotism and people's democracy, that is, socialist democracy, are essentially the same thing. In the world, there is only specific, relative democracy; there is no abstract, absolute democracy. Democracy is part of the superstructure. The nature of a country's state and social systems determines the type of democracy it adopts. Socialist democracy and capitalist democracy are fundamentally different. It takes time to establish democracy, and its level of development is related to economic and cultural conditions. Since our Party was founded, it has struggled to achieve people's democracy. At present, we are still striving tirelessly to gradually improve socialist democracy and the socialist legal system. Under the leadership of the Communist Party, the people are the masters of their country and are building and administering it themselves. This is the core meaning of socialist democracy. Safeguarding and developing socialist democracy is an important manifestation of patriotism.

Hostile forces at home and abroad have been trying to overthrow China's socialist system through peaceful evolution toward capitalism, deprive the Chinese people of their right to control the fate of their country, and make China a vassal of the Western powers. If we lose state sovereignty and national independence and dignity, we will have lost people's democracy and, moreover, fundamentally lost our human rights. The very small number of people who instigated, plotted and led the disturbances and counterrevolutionary rebellion in 1989, and those rioters and rebels who fled overseas, not only opposed the socialist system, but also sold out to foreign hostile forces and engaged in activities that endangered their motherland and opposed their own people. They fully revealed their treasonous spirit and stance. They have no sense of national integrity or personal dignity, so what right do they have to talk of patriotism, democracy and human rights?

To draw upon and carry forward the patriotic tradition in these new historical conditions, we must carry out broad and thorough patriotic education. This education must begin when children are small. All the people of our country, especially our youth, need to conscientiously study and understand the history of our motherland, particularly its modern and contemporary history. The Chinese nation has a long history, and our forebears on this soil created a magnificent material and cultural civilization, as well

as a cultural tradition shaped by our ethnic attributes, thereby making an outstanding contribution to human civilization. However, long feudal rule hindered our country's social development. After the Opium War, China suffered humiliation at the hands of imperialistic powers and dire calamity befell the people. This was a major reason why modern China was so poor and weak. The Chinese people never submitted to any foreign force, and large numbers of heroic people with high ideals whose exploits will forever live in the annals of history advanced in wave upon wave with unflinching courage in a struggle to rescue the nation from subjugation and topple the three big mountains.[2] Modern and contemporary Chinese history is a history of struggle and development of the Chinese people's patriotism. We need to correctly understand our own history and culture so that we can winnow the grain from the chaff and then we can give the fruits of civilization the Chinese nation has created over thousands of years new life and luster in the course of socialist modernization.

To draw upon and carry forward the patriotic spirit, we must embody it in concrete activities. We need to create a high degree of national spirit of self-respect, self-confidence and self-improvement. We need to boldly and resolutely combat activities that undermine national unity, weaken ethnic solidarity or threaten the socialist cause. We need to consciously make the goals and fate of socialist modernization our own; study and work hard; and promote stability, unity, development and reform in whatever position we occupy.

The patriotism we advocate is definitely not narrow nationalism. China's development and progress cannot do without the cultural achievements of other countries in the world. Our socialist modernization needs to draw upon and carry forward the fine cultural traditions of the Chinese nation and also study and absorb the outstanding cultural achievements created by other peoples, including those under capitalism. This kind of study should be grounded in China's realities and focused on strengthening the Chinese nation's self-reliance. This is the only way the Chinese people can work with the peoples of other countries and fully play their role in promoting world peace and development.

II. The Mission of Intellectuals in Socialist Modernization

Our country's socialist modernization is a grand but formidable cause. We need to take economic development as our central task and adhere to

the Four Cardinal Principles and the reform and opening up policy. We need to use the best of contemporary science and culture as a lever to propel the development of the productive forces and all-round social progress. We have to quadruple China's 1980 GNP by the end of the century and raise the per capita GNP to the level of moderately developed countries by the middle of the next century. Workers, farmers and intellectuals will need to work hard together to achieve this goal. We need to rely wholeheartedly on the working class. Intellectuals are the part of the working class that mainly engages in mental labor; they play an irreplaceable role in socialist modernization and bear a heavy social responsibility. During the new-democratic revolution, Comrade Mao Zedong said, "Without the participation of the intellectuals victory in the revolution is impossible."[3] Today, without the participation of intellectuals, it would be even more impossible for development and reform to succeed.

We must continue to integrate the universal truths of Marxism with China's realities to build socialism with Chinese characteristics. Upholding the Four Cardinal Principles and the reform and opening up policy brings us face to face with numerous new situations and problems. For this reason, we need to proceed from actual conditions, conscientiously study basic Marxist theory, acquire a deeper understanding of our national conditions, constantly theoretically generalize the experience of the masses, and grasp the objective laws of modernization. This demands that our intellectuals spare no effort in exploring these areas.

We need to integrate the socialist system with modern science and technology in the context of China's conditions, so that we can constantly raise labor productivity, eliminate our economic backwardness and gradually close the gap between ourselves and developed countries. Science and technology are developing at lightning speed, and play an ever more important role in production. We must strive to master, disseminate and utilize modern science and technology and managerial expertise. All of this would be inconceivable without the creative labor of intellectuals, especially scientists and engineers.

We also face the task of promoting socialist cultural and ethical progress. Intellectuals are an important force in making cultural and ethical progress and in preserving and spreading scientific and cultural knowledge, pioneering advanced science and technology, and creating superb intellectual products. We need to raise the ideological, moral, scientific and cultural quality of the whole nation, and cultivate generation after genera-

tion of new socialists with high ideals, moral integrity, a good education and a strong sense of discipline. Intellectuals have an important role to play in this work.

Improving socialist democracy and the socialist legal system requires strengthening theoretical research into democracy, improving the democratic system, enacting all kinds of laws and regulations, publicizing and spreading knowledge of democracy and the legal system, and enhancing and strengthening the whole nation's democratic competence and understanding of the legal system. Intellectuals not only have the sacred right to participate in the management of state and social affairs in accordance with the law, but must also put great effort into all the work outlined above.

In order to smoothly accomplish the tasks of development and reform, we must ensure that we make decisions scientifically. At both central and local levels, intellectuals play an ever-increasing role in research, evaluation, consultation, formulation and implementation of policy decisions.

In short, in the course of modernization, reform and opening up, we realize ever more deeply that never before in history have the Chinese people made such wide-ranging and urgent demands on intellectuals as we do today. We believe that China's intellectuals will definitely follow the Party's basic line, diligently study Marxism-Leninism and Mao Zedong Thought, strive to raise their professional level, strengthen their national pride, contribute all their intelligence and skill to accomplishing the great historic task of socialist modernization, and undertake the glorious mission history has thrust upon them.

Since the founding of the People's Republic, the ranks of China's intellectuals have grown quickly. Intellectuals have made indelible contributions in the areas of industry, agriculture, business, education, science, technology, culture, health, national defense and diplomacy; in Party and government bodies at all levels; in cities and villages; and especially in locations where working and living conditions are difficult, such as border areas, mountains, deserts and the ocean; in developing socialist economic, political and cultural causes; in managing state and social affairs; and in safeguarding the motherland's dignity and the people's security. Everyone knows about the R&D on the atomic and hydrogen bombs, nuclear submarines and artificial satellites; the recent successes in launching the AsiaSat 1 satellite with the Long March 3 rocket; the design and building of the Nanjing Yangtze River Bridge, the Gezhouba Dam, and the Beijing Electron Positron Collider; research on high-temperature superconductiv-

ity; the spread of indica hybrid rice; and many more such achievements. These were all great accomplishments the Chinese people achieved by relying principally on their own strength and drawing on the wisdom and labor of our scientists and engineers. Large numbers of outstanding new intellectuals have constantly emerged from the ranks. Some of them suffered greatly in the old society, some returned from overseas after the founding of New China, and some were nurtured by the socialist system. They truly are the pride of the motherland and the bulwark of the nation. Recently, the program, "Fighters' Footprints," in which a number of intellectuals recount their exploits in a lecture format, was performed in Beijing and other places, and it received a very warm reception from young people and others. Socialist modernization calls on our country's intellectuals to make the most of their abilities. We hope that they will continue to throw themselves into this great cause and make new and greater achievements.

Although workers, farmers and intellectuals do different work in society, they all create material and cultural wealth for society, and they need to learn from one other and improve together. We can never ignore the role of intellectuals. A very small minority, who adhere to bourgeois liberalization and advocate so-called government by the elite, distort the relationship of intellectuals to workers and farmers and sow discord between them, while disavowing the leading position of the working class and its party. We need to firmly oppose this. Our cause can constantly progress only if workers, farmers and intellectuals are united heart and soul.

III. The Correct Path for the Maturation of Chinese Intellectuals

After the May 4th Movement, progressive intellectuals engaged in a long, difficult and tortuous struggle under the leadership of the CPC to draw upon and carry forward the fine traditions of intellectuals in Chinese history and display a brand new attitude that reflected the times.

They ardently loved the motherland and were devoted to the people. They put the interests of the motherland and the people first; they dedicated their entire lives to making the country independent, prosperous and strong and making the people free and happy, and they viewed this as the highest value in life.

They probed deep into reality and the lives of workers and farmers. They studied society, acquainted themselves with national conditions, related theory to reality, and learned about and transformed the world through

practice. They rooted themselves in the masses of workers and farmers, drew sustenance and wisdom from the masses, and fused their strength with that of the people.

They pursued truth and forged ahead with determination. They dedicated themselves to truth; conformed to the trend of historical development; courageously discarded backward, outmoded thinking; and constantly progressed by making new discoveries, inventions and creations. They had a spirit of criticism and self-criticism, upheld truth, corrected mistakes, and consciously transformed their subjective world while transforming the objective world.

They struggled hard and were happy to contribute. Encouraged by lofty ideals and undeterred by difficulties, they worked tirelessly and improved their professional competence constantly. They were "the first to worry about the world's troubles and the last to enjoy its pleasures."[4] They contributed much more than they asked in return and were content to remain anonymous heroes.

The mental outlook of these progressive intellectuals shows that they followed the correct path of sound maturation. That is, under the guidance of Marxism-Leninism and Mao Zedong Thought, they engaged in practical affairs and allied themselves with workers and peasants. To fulfill their own historical duty, contemporary intellectuals have to continue down this path, and enrich and expand the fine traditions of progressive intellectuals by participating in modernization, reform and opening up, and passing on these traditions to future generations.

At present, young intellectuals constitute nearly half of all Chinese intellectuals, and they have already shouldered heavy responsibilities in all the country's undertakings, or soon will. The future of our country and people depends heavily on how they mature. For the most part, our young intellectuals are good and can be trusted. The overwhelming majority of them love the motherland, the people and socialism; diligently study and improve themselves; sincerely strive to make the country prosperous and strong; and have achieved gratifying success in whatever positions they occupy. This is the dominant tendency among young intellectuals. Of course, they have not had much contact with the world, their experience is limited, and they are not very familiar with China's conditions and the history of the Chinese people's struggle, so they have a number of weaknesses and deficiencies. In particular, there was a period of time when we were lax in our ideological and political work and education regarding our country's

fine traditions, with the result that a number of young intellectuals became influenced by the Western bourgeois outlook on life and sense of values and by ethnic nihilism to various degrees. We believe that young people can solve these problems through study, practice and a review of their experience. Here, I especially want to point out that when such problems arise, the fault does not principally lie with the young people; rather it lies in our Party doing its work poorly.

In dealing with young intellectuals, we need not only to show solicitude for them and give them significant work, but also to impose strict demands upon them and actively guide them. We need to encourage them to plan for their future in light of the country's needs, bring their intelligence and skill to bear on the historical creative activities of the people, and achieve their lofty ideals through hard work. We need to actively create conditions for training large numbers of young intellectuals to be politically and professionally competent to carry forward the socialist cause. Party committees and governments at all levels and all sectors of society need to have a high sense of responsibility in order to make a sustained effort to accomplish this strategic task.

IV. Further Improve the Party's Work Concerning Intellectuals

Whether or not we can fully unleash the enthusiasm and creativity of intellectuals is one of the keys to the success or failure of our cause, as well as an important standard for measuring the level and skill of the Party's leadership.

Since the Third Plenary Session of the Eleventh Central Committee, the Central Committee and Comrade Deng have paid great attention to the work concerning intellectuals, emphatically pointed out that intellectuals are part of the working class, emphasized respect for knowledge and talent, and laid out a series of correct principles and policies. These include: to trust and rely on intellectuals in political and professional matters, recruit outstanding intellectuals into the Party and appoint some of them as cadres, conscientiously adhere to the orientation of serving the people and socialism and the principle of letting a hundred flowers bloom and a hundred schools of thought contend, energetically develop international exchanges and cooperation in the areas of science and culture, and strive to improve the working and living conditions of intellectuals. These principles and policies reflect the common aspirations of intellectuals and other people,

and we should continue to unwaveringly carry them out.

Over the past ten plus years, Party committees and governments at all levels have put great effort into strengthening and improving their work concerning intellectuals and have achieved significant success. However, we must note that there are still many problems with this work. For example, there still is a tendency to appreciate intellectuals too little, not to make the best use of them, and even to keep talented people down; furthermore, too little has been done to eliminate the difficulties intellectuals face in their work and lives. In addition, because we did not effectively combat bourgeois liberalization, it has spread unchecked in the ideological arena, which has caused confused thinking on the part of a number of intellectuals. Some Party organizations are weak and lax and incapable of serving as bastions in this battle, with the result that the ideological problems of intellectuals in those organizations have long remained unsolved. All this has slowed down some intellectuals' progress and dampened their enthusiasm. Leaders at all levels must clearly understand that doing good work concerning intellectuals is an important task of the entire Party. They need to adopt a serious attitude, conscientiously learn from their experience, and further strengthen their work regarding intellectuals.

We have always maintained that our intellectuals are an outstanding group of people who support the Four Cardinal Principles and the reform and opening up policy and can accomplish great work. After undergoing the political disturbances of last year, can we still adhere to that judgment? The Party, the government and the people answer in the affirmative. During those disturbances, the overwhelming majority of our more than 20 million intellectuals behaved well. They cherished our hard-won political stability and unity, opposed the disturbances, and passed another test. A small number of them spoke wrongly and acted inappropriately when the situation was unclear, but as they have come to understand their mistakes and learned their lesson, we should welcome them back. As to those who have not yet corrected their understanding, we should continue to treat them with warmhearted help and patience. As to those intellectuals who are Party members and who committed serious mistakes, we need to adopt the approach of curing the sickness to save the patient, and correctly deal with them in accordance with regulations. Of course, there was a tiny minority of intellectuals who stubbornly adhered to the position of bourgeois liberalization; became mere appendages of overseas and foreign hostile forces; and incited, plotted and organized the disturbances and the coun-

terrevolutionary rebellion. These people do not represent intellectuals: they are the scum of intellectuals and the dregs of the Chinese nation. Ending the disturbances, quelling the rebellion and punishing this minority of persons in accordance with the law was the common will of workers, farmers and intellectuals throughout the country.

We need to realize that the opposition and struggle between the Four Cardinal Principles and bourgeois liberalization will last a long time. It is an important manifestation of the class struggle that exists under socialism to some extent. In their ideological and political work, Party committees at all levels need to conscientiously perform the important task of educating the people to uphold the Four Cardinal Principles and oppose bourgeois liberalization. Bourgeois liberalization is a doctrine that has specific political content. Comrade Deng has pointed out time and again that its exponents "worship the 'democracy' and 'freedom' of the Western capitalist countries and reject socialism," and that "in China, bourgeois liberalization means taking the capitalist road."[5] He also pointed out, "At the Third Plenary Session of the Eleventh Central Committee the Party decided on the policy of opening to the outside world and at the same time demanded a curb on bourgeois liberalization. These two things are related. Unless we curb bourgeois liberalization, we cannot put our open policy into effect."[6] This states very clearly that bourgeois liberalization is contrary to patriotism and socialism, and it will lead China into darkness and retrogression. Opposing bourgeois liberalization definitely does not mean abandoning reform and opening up; rather, it means implementing them better. This struggle accords with the interests of the people of all the country's ethnic groups, including intellectuals. Intellectuals are an important force in this struggle. The efforts of intellectuals are indispensable in criticizing bourgeois liberalization through a combination of theory and practice, and in providing a theoretical basis and creating a favorable public opinion environment for development and reform.

We need to continue to follow the principle of letting a hundred flowers bloom and a hundred schools of thought contend. This principle is in accord with the Four Cardinal Principles, not in opposition to them. We need to expand academic freedom and freedom to innovate, while adhering to the Four Cardinal Principles. We need to continue to advocate competition between different schools of thought and between different artistic perspectives, and to encourage intellectuals to research practical problems concerning our country's development and reform, research the foreign sit-

uation and introduce advanced developments from abroad into China. We need to encourage intellectuals to emancipate their minds and speak freely, create an atmosphere of bold inquiry and innovation, and increase mutual understanding and influence between different schools of thought and artistic perspectives. Practice is the sole criterion for testing truth. Truth or falsehood in the areas of science and culture is ultimately determined on the basis of practice. We need to energetically undertake healthy, reasonable and constructive criticism and self-criticism, and guard against reaching conclusions through administrative procedures. Party and government leaders at all levels need to constantly raise their ideological level, their understanding of policy, and their leadership skills, and create and learn from new experience, so that our scientific and cultural undertakings may thrive.

We need to further entrench the positive custom in society of respecting knowledge and talent, value the accomplishments intellectuals achieve through their labor, enable them to fully play their role in promoting material, cultural and ethical progress, and gradually improve policies and rules to encourage the emergence of talent. Party committees and governments at all levels need to continue to do everything they can to improve the working and living conditions of intellectuals, and resolutely overcome bureaucracy and procrastination. All problems that can be solved through hard work must be conscientiously addressed and quickly cleared up by talking less and doing more. For situations that are presently hard to deal with, we need to clarify the difficulties in a practical and realistic way, get clear about where development and reform are headed, and do our ideological work thoroughly and meticulously. Our intellectuals understand and make allowances for the state's current difficulties, and they will definitely work with all the people to overcome them with one heart and one mind.

Conscientiously implementing the decision made at the Sixth Plenary Session of the Thirteenth Central Committee to increase the Party's ties with intellectuals is the key to doing our work concerning intellectuals well. Leading cadres at all levels need to be in regular contact with intellectuals to inform them about the political and economic situation and the Party's principles and policies, and they should learn about the conditions intellectuals face, listen carefully to their views, and sincerely accept their criticism, oversight and assistance concerning the work of the Party and government. They need to emulate the fine work ethic of the older generation of revolutionaries, adopt an attitude of openness and sincerity, and make friends with intellectuals.

Youth are the most vibrant sector of society, and the hope of our cause. The 21st century belongs to you. History has shifted the heavy task of China's socialist modernization onto your shoulders. It falls on you to consolidate and build upon the successes the older generation achieved through sacrifice and struggle. You need to draw upon and carry forward the heroic spirit of revolutionary struggle the older generation maintained. The glorious future of our socialist motherland depends on your contributions. You young people need to study hard, put what you learn into practice, and constantly strengthen and improve yourselves. This is the ardent hope of the Party and the people. We firmly believe that with the energetic work of countless young people and the united efforts of workers, farmers and intellectuals, our country's socialist modernization drive will surely have a bright future.

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[1] "Speech at the Twelfth National Congress of the Communist Party of China," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 15.

[2] A reference to imperialism, feudalism and bureaucrat-capitalism, which oppressed the people in old China.

[3] "Recruit Large Numbers of Intellectuals," *Selected Works of Mao Tse-tung,* Eng. ed., FLP, Peking, 1965, Vol. II, p. 301.

[4] Fan Zhongyan (989-1052), Northern Song Dynasty, "On Yueyang Tower."

[5] Deng Xiaoping, "Bourgeois Liberalization Means Taking the Capitalist Road," *op. cit.,* pp. 129,130.

[6] *Ibid.,* p. 130.

DEVELOP OUR SOCIALIST CAUSE WELL*

September 11, 1990

We need to watch how the international situation develops. All kinds of forces in the world are regrouping, a number of basic conflicts in the world are still unresolved, and new conflicts are constantly arising. After the thawing of US-Soviet relations and the drastic changes in Eastern Europe, many Communists throughout the world have come to have doubts about the future of socialism, and some have even lost their faith in it. Some have concluded from the progressive relaxing of US-Soviet relations that the world will now be at peace. Facts prove that this kind of thinking is naive. In fact, the weakening of the Soviet Union's position and role and the breakdown of the balance of power between the United States and the Soviet Union make the world even more unstable. Since Iraq invaded Kuwait, the United States and a number of Western European countries have been sending troops to the Persian Gulf, and the tension in that region is a manifestation of this instability. At present, the situation in the Persian Gulf is very complex, many kinds of problems are interlinked, and it is very difficult to foresee what will happen in the world in the future.

In the contemporary world, there are new manifestations of hegemonism and power politics. The original purpose of the G7 Summit[1] was to coordinate the G7 countries' economic interests, but later it took a political turn. Last year, the G7 Summit discussed supporting changes taking place in Poland and Hungary and imposing so-called sanctions on China. In July this year, the G7 Summit issued a political declaration on the subject of "securing democracy," which advocated promoting the "world democratic trend," sought to expand the changes that took place in Eastern Europe, encouraged the continuation of changes in the Soviet Union, and adopted a carrot and stick approach to socialist and third world countries. Some Western countries are going a step further and interfering in other countries' internal affairs in the name of democracy and are trying to force them to adopt the Western political and economic model. When I met with former US Secretary of State Henry Kissinger the other day, I told him

* Excerpt from remarks at a meeting with Kim Il Sung, General Secretary of the Korean Workers' Party and President of the Democratic People's Republic of Korea, in Shenyang.

that this year marks the 150th anniversary of the Opium War. Six of the seven G7 countries were members of the Eight-Power Allied Forces that invaded China. Recently, the Museum of Chinese Revolutionary History held an exhibition commemorating the 150th anniversary of the Opium War, the purpose of which was to teach people not to forget that period of history. The present world situation exacerbates the unfavorable situation prevailing in most third world countries. Poor countries are getting poorer; rich countries are getting richer; and the inequities in the international political and economic order are increasing, not decreasing.

We need to look at changes in the international situation dialectically, and see not only the difficulties and gravity, but also the benefits. China will unswervingly adhere to an independent foreign policy of peace, make timely adjustments as the situation changes, and adopt a number of flexible measures in order to keep the international environment peaceful for a considerable time to come and ensure the smooth progress of reform, opening up and modernization. We will respond to people's concerns about the future of socialism with the finest practical fruits of socialist construction.

At present, world socialism is at a low ebb, but the situation is not as bad as claimed by those who say that socialism has already collapsed. It has been 142 years since the publication of *The Communist Manifesto,* and the first socialist country was born 73 years ago. However, this is but a fleeting moment in the long course of human historical development. Capitalist countries already have a history spanning 350 years, counting from the English bourgeois revolution. Bourgeois revolutions simply replace one exploiting class with another, but, before the Western bourgeoisie took firm grasp of power, a number of restorations and counter-restorations took place. Even today, a number of European countries still retain vestiges of feudalism. Socialism is a new social system that eradicates the system of exploitation. It has a history of only 73 years, and it is difficult to entirely avoid encountering a few setbacks and difficulties and making a few detours. In their writings, Marx, Engels and Lenin analyzed many fundamental conflicts in today's world, as did their successors. Capitalism has definitely failed to resolve these conflicts. Only socialism can do so. If socialist countries concentrate their efforts on accelerating economic development, become more powerful, and fully manifest the superiority of the socialist system, socialism will triumph in the end.

As we develop relations with Western countries, we will always adhere

to the Five Principles of Peaceful Coexistence. One of these principles is noninterference in each other's internal affairs. We practice socialism and they practice capitalism. We have no intention of forcing our socialism on other countries, and we will not allow other countries to try to deflect us from our socialist course. We have always adhered to the principle that ideological struggles have a bearing on state-to-state relations, but the two are distinct. In these struggles, we Communists need to uphold our principles, but also give ourselves room to maneuver. Of course, we cannot abandon our principles for the sake of mere leeway. Some Westerners want to wipe socialism off the map. This absolutely will not happen. Western countries should not overlook the role of China, a powerful socialist country, in the world, especially in the third world. We Communists need to reinforce our conviction and constantly accumulate experience. We must admit that world socialism is at a low ebb, but we need to persevere, steel ourselves and keep persevering, and at the same time develop our socialist cause well.

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[1] The G7 Summit is a summit meeting of the seven countries: the United States, the United Kingdom, France, Germany, Italy, Japan and Canada. The first summit meeting — attended by the United States, the United Kingdom, France, the Federal Republic of Germany, Italy and Japan — was held in 1975 at the suggestion of France, in order to deal with the serious worldwide economic crisis. Canada participated in the second summit meeting in 1976, and the G7 Summit framework was established then. Starting from 1977, the President of the Council of the European Community (later renamed the European Union) was invited to participate in the summit. Early on, the meetings mainly focused on economic matters but starting in 1980, political issues were progressively included on the agenda. Beginning in 1991, the President of the Soviet Union (later Russia) was invited to meet with the G7 leaders after the summit. In 1994, the Russian President began to participate in the political discussions of the G7 Summit. In 1997, he began to participate as a full member, and the G7 Summit became the G8 Summit.

THE ARMY NEEDS TO BE QUALIFIED POLITICALLY AND COMPETENT MILITARILY AND HAVE A FINE WORK STYLE, STRICT DISCIPLINE AND ADEQUATE LOGISTICS SUPPORT*

December 1, 1990

Doing our military work well and improving the army's combat capability has a direct and intimate relationship with the army completing all its tasks and is closely linked to national security and social stability. The army is engaged in military affairs, and military work is its primary practical activity and what most fully embodies its nature. The next ten years are a key period in the development of our country's socialist cause. A stable and united country and a safe and stable domestic and international environment are vital for us to be able to ensure sustained, steady and balanced economic development, quadruple our 1980 GNP and ensure that the people lead a moderately prosperous life. To create this environment, on the one hand we need to rely on our political, economic and diplomatic work, and on the other we need to rely on the army. Whether our military work is done well or poorly has a bearing on the survival of the country, so those engaged in this work bear a heavy responsibility. The members of the army, regardless of whether they are working in the political or military arena, must all realize the importance of military work; be aware of the responsibility they bear; consciously take the fundamental interests of national security and stability as their starting point; do all their military work cautiously, conscientiously and responsibly; and complete all the tasks assigned by the Party and state well.

The army is a Great Wall of steel. The foremost task in running the army well is managing the primary level well. In the past, we had a saying, "The Party branch is organized on a company basis."[1] The army must emphasize primary-level army building. I believe the army needs to focus on both companies and leading bodies. Leading bodies need to lead by example, carry out policies resolutely and swiftly, and emphasize efficiency. Military bodies in particular need to emphasize efficiency and act quickly,

* Excerpt from a speech at an army-wide working conference on military affairs.

decisively and correctly. If both leading bodies and companies are well run, intermediate-level bodies will follow suit, and the whole army will be invincible and able to conquer all enemies.

The most fundamental task in army building is doing ideological and political work well. If ideology is lax in some areas, the problem needs to be corrected promptly. We need to strengthen the army's organization and discipline and ensure its centralization and unity. The more we reform and open up, the more we need to improve ideological and political work. We cannot view reform and opening up as being contrary to ideological and political work; they comprise a dialectical unity.

Our army building needs to be conducive to stability and to reform and opening up. To eliminate laxity and promote the stability of the army, our military work needs to promptly and effectively strengthen command and training. Strict command, strict training. This is an important army-building principle that comrades Mao Zedong and Deng Xiaoping always stressed. In our civilian work, no matter whether we are dealing with enterprises or villages, we need to get them to strengthen management and raise productivity. It is the same with the army; strict and effective command raises combat capability. The better the troops are commanded and the stricter the demands placed on them, the higher their combat capability will be. In our military work over the past two years, we have put great effort into establishing sound laws and institutions, implementing and enforcing regulations, and improving military morale and discipline. If we continue to do this work well, we will achieve a great success. The central link in commanding the army, in addition to primary-level army building, is work concerning cadres. This is because all matters are implemented through them, so we need to make sure they have a sense of responsibility and mission. Cadres are the leaders, and if they lead well, the soldiers will follow them. Anything we require the soldiers to do, the cadres must do first. There are two well-known proverbs: "He who is not upright is not in a position to correct others," and "If the upper beam is not straight, the lower ones will go aslant, and if the middle beams are not straight, the whole house will collapse." It is extremely important that leaders guide by example. In short, to solve the problem of troop command and control, we need to begin by educating cadres to strengthen their sense of responsibility and expand their role as models and leaders. Each level needs to be responsible for, lead and set a good example for the next lower level. This needs to be done first at the level of companies. Companies have Party

branches, commanders, political instructors and platoon leaders, as well as squad leaders under the platoon leaders, and all of them need to be role models in their company.

Military training is an important manner by which the army instills morale, improves military quality and strengthens combat capability. We need to genuinely accord strategic priority to military training. If troops do not go into battle or train, they will gradually become pampered. Therefore, we need to train hard and effectively. There is a big difference in troops who train and those who do not and between troops whose training is strict and those whose training is lax. Many years of experience tell us that when the troops do not train effectively, troop organization and discipline will inevitably be lax, ideological thinking will become slack, and negative factors will increase. The army thus needs to be qualified politically and competent militarily and have a fine work style, strict discipline and adequate logistics support, and all troops need to undergo strict military training. Of course, we cannot adopt a purely military viewpoint and have a one-sided view of training. We cannot rely solely on the military services alone to provide satisfactory military training; energetic ideological and political work is also required. We need to make military training a central task in our routine work in order to do it well. Whether training is done or not and is done well or not is a sign of whether or not leading military cadres take a responsible attitude as well as an important indication of their work competence. They must be able to command troops, organize training, and do ideological and political work. Work cannot be done superficially; it must be done well. Not only military training, but all military work must be done well. We can get good results only by doing good work.

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[1] "The Party branch is organized on a company basis" was one of the principles Mao Zedong laid out for army building. Mao led the Workers' and Peasants' Revolutionary Army into Sanwan Village, Yongxin County, Jiangxi Province, on September 29, 1927. That evening he convened an enlarged meeting of the CPC Front Committee, at which a decision was made to reorganize the army. According to the decision, Party organizations at all levels and a system of Party representatives would be created; Party branches would be established at the company level; Party groups would be set up in squads and platoons; army units at and above the company level would have Party representatives; Party committees would be established in battalions and regiments; and the army would be led by the CPC Front Committee with Mao as Secretary.

CONCERNING OUR MILITARY STRATEGIC PRINCIPLE AND ISSUES OF DEFENSE TECHNOLOGY*

June 8, 15 and 25, 1991

I

In the present international situation, we cannot do without a sense of national defense. Although a world war is not imminent, the world is far from peaceful and local conflicts are constantly occurring. One such conflict of particular concern is the Gulf War.[1] We need to clearly understand how the international situation is developing and changing. World socialism is at a low ebb, so we must be fully alert, have a sense of national defense and not be caught off guard.

Today we are discussing the issue of electronic technology. Electronic technology is of paramount importance, whether in aviation, guided missiles or other weapons systems. At present, our electronic technology is not catching up with the world-class level but lagging further and further behind. We need to be aware of this problem and bear in mind the statement, "If you know the enemy and know yourself, you need not fear the outcomes of a hundred battles."[2] It is not a bad thing that we see this gap is widening; it shows we have a clear understanding of the situation. We cannot be blindly optimistic, nor can we let our awareness of this gap discourage us; rather we need to find a way to respond. The Central Military Commission needs to take the perspective of military science in studying how to fight future wars. We need devastating weapons and equipment. Our general principle is still to develop them through our own efforts because not all kinds of weapons and equipment are for sale, and there is no way we could buy them at any price.

We need to respect science, give priority to weapons and understand where our strengths lie. We follow a strategic principle of active defense, and if worse comes to worst and we have to fight, we have our regular army and militia, and whoever invades China will drown in the sea of a

* Excerpts from speeches at three forums on the Gulf War.

people's war. The Chinese people will not be taken in. We need to look self-confidently at the overall international situation and analyze our national conditions.

In short, we cannot wear blinders and be willfully ignorant. We need to take a realistic attitude and get down to the practical work of developing defense technology, so that we can deal with whatever situations arise in the future. Whether we have to respond to a regional war or a sudden emergency, we must be well prepared.

II

The purpose of this meeting is to have a general discussion focused on the Gulf War. The meeting has been a great success. From now on, when we have discussion meetings, we will create this kind of democratic atmosphere to allow everyone to fully express their views. The PLA has a fine tradition of high-level organization and discipline, but we need to deal with the issues of developing defense technology and studying military science in a democratic atmosphere.

The Gulf War raises many issues requiring our profound reflection. In fact, at the very beginning of the war, the United States acquired a clear knowledge of Iraq's electromagnetic spectrum, which enabled the United States to jam it. The United States also carried out reconnaissance by fire to verify the spectrum, then executed soft kills, which immediately threw Iraq's telecommunications into disarray and disrupted its military command. Why did Iraq fall so quickly? In my view, one important reason is that its telecommunications system was paralyzed, breaking down the command structure; as a result, planes could not fly, and the army lost its will to fight. One lesson we have learned from studying the Gulf War is that we need to analyze the electronic technology and other strategic weapons that were used, including those of the air force and navy, as well as what influence the nature of the war and strategic decision making and guidance had on its outcome. Only in this way can we genuinely understand both our adversary and ourselves.

Our military strategic principle is one of active defense. Although we are not very strong economically at present, we need to ensure that our socialist system is in good shape, that the socialist superstructure and economic base are basically compatible, and that our socialist system effectively stimulates the development of the country's productive forces.

Our implementation of the military strategic principle of active defense is determined in its essence by the nature of our socialist system and state. We have no intention of carrying out aggression against other countries or dominating them.

After the Gulf War, how to view the role of military technology has become an important issue. As I have said before, we need to respect science and give priority to weapons; people, however, remain the decisive factor. The lesson the Gulf War taught us is that although high technology played an important role, the fundamental decisive factor was people. This is especially important when distinguishing between just and unjust wars. As the old saying goes, "He who finds the proper course has many to assist him. He who loses the proper course has few to assist him."[3]

Under modern conditions of warfare, we absolutely must not ignore the human and psychological factors, or lose our precious ability to wage a people's war, which is our talisman as well as a primary aspect of active defense. I have emphasized this point at numerous conferences. However, this in no way indicates that we can ignore technology. We need to work hard to develop defense technology; this is also an important strategic issue. Developing the economy is a prerequisite for advancing science and technology and improving equipment. There is an old saying that money breeds arrogance. When our economic situation improves, our words will carry more weight, but this definitely does not mean that we will then embark on a course of hegemonism.

We really do lag far behind in weapons and equipment, and in some areas, the gaps are increasing. When we look at these gaps, this must increase our sense of urgency, not cause us to lose heart. We need to harbor a sense of urgency and build our self-confidence. Our country is very rich in natural resources and already has a certain economic base, as well as having a superior system and the leadership of the Party. In the area of defense technology, we also have very good research capability and a good foundation. The reason I say this is that we must not despair; we need to be aware of our strengths. Here I would like to mention atomic and hydrogen bombs and artificial satellites [built in the 1960s and 1970s]. The spirit of these projects is highly edifying. At that time, the Central Committee and Chairman Mao made the correct strategic decision to build atomic and hydrogen bombs and artificial satellites. This was the first factor. The second was that large numbers of people, enterprises and institutions worked together on these projects. At that time, when the Central Committee called

on the people to do something, everyone did everything in their power to accomplish it without shirking. Chairman Mao said we needed to struggle hard together to accomplish this work. The third factor is that everyone who worked on these three projects was full of vitality. It was really extraordinary at that time that so many scientists and engineers were willing to abruptly relocate to remote areas. This is especially true of the many people who had just returned to China from abroad. That spirit of arduous struggle, tenacity, painstaking research and unity will forever be worthy of emulation. Of course, we need to earnestly solve the practical problem of the poor working and living conditions of scientists and engineers and do everything in our power to create good research conditions. This year, the state is awarding special government subsidies to 10,000 experts who have made outstanding contributions in order to help solve this problem. Appropriate arrangements need to be made to solve the housing problem so that experts will at least have a place to read. We cannot practice egalitarianism in this area.

Concerning how we can catch up, I want to set forth five guidelines.

First, we need to take our national conditions into account and try to catch up in some areas but not all. We really do lag far behind; however, in the final analysis, we still need to be grounded in reality and our national conditions, and try to catch up in some areas but not all, because we cannot catch up in everything. So, what then are our national conditions? We need to comprehensively consider all factors. We need to consider political, economic, cultural, scientific and technological factors, as well as geographical and historical aspects. Our strategy is one of active defense, not hegemony, and certainly not aggression against other countries. We need to consider these strategic needs in developing weapons and equipment. We need to develop attack weapons and have the necessary deterrence capability, including nuclear deterrence capability, but we need to place a greater emphasis on defensive weapons and raise our overall defensive capability. In brief, we need to take our national conditions into account.

Second, we need to pay close attention to systemic problems; this is a very complex issue. At present, it would probably be difficult to simply revive our old system of national defense research. So we need to study this problem carefully and solve it.

Third, we need to appropriately resolve the issue of defense spending. In order to strengthen national defense, we need to appropriately increase investment, but we cannot invest a lot all at once. Increases in defense

spending need to correspond to the growth of the national economy. As the economy grows, defense spending will increase year by year.

Fourth, we need to adhere to the principle of relying mainly on our own efforts. This is indisputable, but it does not preclude importing some key technologies. Of course, key defense technologies cannot be readily bought. Who is going to sell them to us? We cannot modernize just by spending money, and this is particularly true for modernizing defense technology. The national economy of such a large country as ours must be based on self-reliance. In addition, we must emphasize returns. In both defense and civilian industries, we obtain too little return on the money we spend. If you want to characterize this as the price of an education, then we have already paid more than enough. Take integrated circuits for example. Our efforts are spread out all over the map. When I was Minister of Electronics Industry, I stressed the need to concentrate superior forces to win a decisive victory and to carry out production on a large scale to be profitable. Some products cannot be made by hand or in small, scattered workshops. This is a problem everyone recognizes when it is mentioned, but one very difficult to solve, and up to now it has not been fundamentally solved. If the entire country were to undertake a collective effort to develop a production line for integrated circuits with two-micron chips, what would keep us from succeeding? I do not believe we could fail! The problem is that we have not genuinely employed the method of concentrating superior forces to win a decisive victory. At present, we are wasting a lot of social wealth through decentralization.

Fifth, we need to pay attention to how reliable and advanced our technology is. We need to organically integrate these two requirements for technology. If technology is not reliable, it does not yield any benefits. Science and technology together form the primary productive force. We should emphasize and implement this thinking. This is a type of scientific attitude.

Finally, I want to address again the issue of our way of thinking. When we are addressing a particular problem, we place somewhat greater emphasis on it to draw people's attention to it. This is as it should be. However, from the general perspective, our thinking about problems needs to conform to the demands of dialectics, and we may not go from one extreme to another. Take national economic development for example. As soon as we say there is too much concentration, a tide of decentralization occurs, sweeping up even what should remain centralized. And as soon as we say there is too much decentralization, we end up with too much centralization.

These two situations are both one-sided. We should strive to adopt a way of thinking that is as inclusive as possible and to avoid one-sided thinking. We need to keep this in mind as we think about a development strategy for defense technology and about the future development of technology.

III

Today I would like to express my views on some problems we should study in the aftermath of the Gulf War.

First, we need to have a correct understanding of the Gulf War. Although it was not a world war, its scope was rather large. Conflicts like it will constantly occur in the future; this is determined by the basic conflicts of the contemporary world. We need to always maintain a high level of vigilance. A person without foresight has cause for concern. We need to study the contemporary background and historical conditions of the war and the political, economic, ethnic and religious factors that led to it in order to understand the new characteristics of military conflict in the post-Cold War world more thoroughly. The Gulf War is a fairly typical high-tech war.

Second, we need to closely monitor developments and changes in the international situation. The present international situation is highly volatile, and we need to study it carefully. Comrade Deng Xiaoping said we should observe calmly, respond coolly, never claim leadership, and make some contributions. This is what we need to do now.

Third, we need to carefully study our domestic situation. Defense building is inseparable from the domestic situation. At present, we need to uphold socialism and maintain domestic stability. We cannot waver in the least in upholding socialism. Although world socialism is now at a low ebb, China, with more than 1.1 billion people and a history of civilization stretching back more than 5,000 years, is holding firmly to socialism and playing a large role in promoting world peace and development and securing the position of socialism. If we build socialism well, this will be a contribution to world socialism. We need to uphold socialism and prevent peaceful evolution toward capitalism. Externally, we need to handle our state-to-state relations well and take note of how ideology affects them and how it does not. In our relations with other countries, we need to uphold the Five Principles of Peaceful Coexistence and stress dialectics. To maintain domestic stability, we need to watch out for infiltration by international

hostile forces. They are doing everything possible to infiltrate our country, including the army. The army does not exist in a vacuum. We need to always maintain a high degree of vigilance against the strategy of peaceful evolution toward capitalism carried out by international hostile forces, and we must never lower our guard.

Fourth, we need to focus on results. We need to stress results not only in economic development, but also in national defense development. We must secure returns on our investment. Our country still suffers economic difficulties, and the money we have to spend on defense remains very limited, so we have to manage and use it well and make an issue of stressing results. An important factor in improving economic efficiency is reducing the consumption of energy and raw and semi-finished materials. This is a very important index. When this index drops, we can greatly increase economic efficiency. Electronic technology can raise not only the level of defense technology but also the level of the whole country's technology. In short, the national economy needs to become more efficient, and this problem also needs to be solved to develop defense technology.

Fifth, we need to comprehensively study the problems of national defense and army building. Our strategy is one of active defense. How do we understand this strategy? Active defense incorporates both attacking and defending; it does not mean being purely defensive. This is a very important strategic issue. There are many problems that need to be solved concerning weapons and equipment. We need to find a way to improve the army's equipment. Our weapons and equipment lag behind, and we now need to catch up in some areas but not all. But what should we try to catch up to? This question requires thorough analysis and study. Also, are we not streamlining the army? Military strength lies in quality, not quantity. This is both an institutional problem and a problem of numbers. We need to comprehensively consider the problem of defense technology. The state needs to spend money on improving weapons and equipment and supporting national defense development. My general view is that the army should be entirely funded by the state. I have always been of the opinion that the army requires guaranteed state funding. It is necessary for the army to engage in some production. However, the army is not an enterprise. It is a strong cornerstone of the people's democratic dictatorship and a Great Wall of steel guarding our socialist motherland. "Nurture the army for a thousand days and use it only once." If the army is not funded by the state, how could this be possible? This is a common experience throughout the

world: armies that are caught up in doing business will never turn out well.

Sixth, we need to maintain a correct way of thinking. A correct way of thinking uses dialectical materialism, and analyzes and deals with problems scientifically, comprehensively and realistically. Many traditions are not outdated and are still useful today. For example, ideological and political work is very effective and is the lifeline of all other work. However, our methods need to adapt to new circumstances. It is a formidable task for the entire Party to do its ideological and political work well in these new circumstances, and the army is no exception. Let me give another example. We stress that people are the decisive factor in warfare, but that does not mean we can ignore research on weapons and equipment. When we are looking at one side of an issue, we also need to pay attention to other aspects to avoid one-sidedness. To prevent one-sidedness in our work, we must adopt a scientific approach. We need to use both matrix management and a systems engineering approach. If we did not do things this way and clung to old practices without trying anything new, then modern management would be impossible. This does not pertain only to the army; this problem besets the entire nation. The army is a massive system, and running it is very complex, involving both vertical and horizontal relations, so we need to study these problems using both matrix management and the systems engineering approach.

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[1] A reference to the 1991 war against Iraq by a multinational force led by the United States. Iraq invaded and occupied Kuwait on August 2, 1990, and officially announced its annexation of the country on August 8. Iraq's actions constituted a serious violation of international law and upset the strategic balance of interests in the Gulf Region. The United Nations Security Council passed several resolutions demanding Iraq withdraw immediately, and the Soviet Union, some Western European countries, China and most of the Arab countries made many proposals for a political solution, all of which were refused by Iraq. With the authorization of the Security Council, a multinational force composed of troops from 39 countries including the United Kingdom, France, Egypt and Saudi Arabia and led by the United States launched a military attack on Iraq on January 17, 1991. The multinational force pounded Iraq with an aerial bombardment lasting 38 days, weakening its resistance, launched a ground assault on February 24 and quickly broke through the Iraqi defenses. Iraq was forced to accept a cease-fire and announce its withdrawal from Kuwait. The Gulf War ended on February 28.

[2] Sun Tzu, "Attack by Stratagem," *The Art of War.*

[3] *Mencius,* Book IV, "Gongsun Chou," Part II.

THE GREAT MISSION FOR CHINESE COMMUNISTS TODAY*

July 1, 1991

Looking back at the Party's glorious 70-year history, we are keenly aware that our responsibilities will grow heavier in the years to come. The great mission of Chinese Communists today is to follow the basic line of the Party and unite with and lead the people of all our ethnic groups in holding to the course of building socialism with Chinese characteristics and making our country a prosperous, strong, democratic, culturally advanced and modern socialist country through reliance on our own efforts and hard work. Our present tasks are to implement the proposal made at the Seventh Plenary Session of the Thirteenth Central Committee for formulating the Ten-Year Program [1991-2000] and the Eighth Five-Year Plan [1991-95] for National Economic and Social Development as well as the outline for this program and plan adopted at the Fourth Session of the Seventh NPC, attain the objectives for the second step of the strategic plan for socialist modernization, and lay a solid foundation for attaining the objectives for the third step by the middle of the next century.

We must have a correct understanding of the many aspects of China's basic situation in order to carry out our mission, and I will now mainly focus on three aspects of that situation.

First, although we have made great strides in economic development through decades of hard work, China's economic, technological and cultural level is still relatively low due to the fact that the starting point for New China's economic development was the backward and poverty-stricken state of old China. This situation is further complicated by China's huge population, low amount of resources per capita and uneven development among regions. The principal problem in Chinese society today is how to meet the ever-growing material and cultural needs of the people with backward social production.

Second, class struggle is no longer the principal area of conflict in Chinese society, though it will continue to exist in certain areas for a long time and may intensify under certain conditions. This struggle is mainly

*Excerpt from a speech at a conference celebrating the 70th anniversary of the founding of the CPC.

manifested in the tension between the forces of bourgeois liberalization and the Four Cardinal Principles, and it revolves around the question of political power. This struggle is closely related to and interconnected with the struggle between the forces of infiltration and counter-infiltration, subversion and counter-subversion, and peaceful evolution toward capitalism and opposition to it, a struggle we are waging against international hostile forces.

Third, socialism has already taken root in this vast land of China and begun to demonstrate its superiority. However, because it is a newly established, immature and imperfect system, some aspects of the relations of production and some elements of the superstructure are unsuited to development of the productive forces. This problem must be gradually solved by deepening reform.

The basic situation in China determines that the country is in the primary stage of socialism. The fundamental task of socialism is to develop the productive forces. In the primary stage of socialism, it is more important than ever for us to purposefully and firmly keep this task at the center of our work. As Comrade Deng Xiaoping once said, "A genuinely Marxist ruling party must devote itself to developing the productive forces."[1] Concentrating resources on developing the productive forces, successfully developing the economy and achieving the goals of socialist modernization to lay a solid material and technological foundation for consolidating and developing the socialist system is not only a long-term fundamental task for the country, but is also one of great immediate significance to the country.

Following the Third Plenary Session of the Eleventh Central Committee, the Party established the basic line of setting economic development as its central task, adhering to the Four Cardinal Principles and continuing to engage in reform and opening up on the basis of a correct analysis of the basic situation of the country. Based on lessons drawn from implementing this basic line, the Thirteenth Central Committee introduced 12 principles for building socialism with Chinese characteristics[2] at its Seventh Plenary Session. This move shows that the Party has acquired a better understanding of the laws governing socialist modernization. On the whole, the Party's basic line and these 12 principles point to the need to build a socialist economy, political system and culture with Chinese characteristics through the self-improvement and self-development of the socialist system in order to ensure that we can continue to develop the productive forces, make all-

round social progress and achieve the goals of socialist modernization.

1. Building a socialist economy with Chinese characteristics requires that we retain socialist public ownership of the means of production as the main form of ownership while allowing and encouraging non-public sectors of the economy to undergo an appropriate amount of development. We cannot limit the economy to just the public sector without regard for the development level of the productive forces, nor can we let it lose its leading position or privatize it. We must implement the system of distribution according to work as the principal mode of distribution supplemented by other modes, overcome egalitarianism, guard against polarization and gradually achieve prosperity for all. We must establish an economic structure and operating mechanisms that are in line with the development of a socialist planned commodity economy and combine planning with regulation by market forces, and allow market forces to operate within the framework of the country's laws and regulations and under the guidance of state planning. We need to overcome the problem of the old system of being overly centralized and excessively and rigidly controlled, while also avoiding excessive decentralization and weakening of macro-control. We must fully understand these basic requirements for a socialist economy with Chinese characteristics, constantly improve relevant policies and measures, and gradually modernize the national economy.

The socialist relations of production based on public ownership of the means of production can fundamentally overcome the basic contradiction in the capitalist modes of production between private ownership of the means of production and socialization of production. These relations can also ensure that production and distribution of goods and wealth are regulated and controlled by society, and bring about planned, well-proportioned and rational development of the economy and prosperity for all members of society. If public ownership of the means of production were to lose its dominant position, the economic foundation of socialism would be weakened. This would certainly damage the fundamental interests of all the Chinese people, and socialism would no longer exist. In China's present stage of development, and in light of the present level of the country's productive forces and the requirements for further developing them, we must first consolidate and strengthen the public sector of China's socialist economy. At the same time, we also need to appropriately develop the private sector, which includes individually owned, cooperative, and wholly overseas-funded enterprises, and Sino-foreign joint ventures. The private sector is a nec-

essary and beneficial supplement to the public sector of China's socialist economy. In the course of actual economic development we need to adopt appropriate measures on the basis of thorough and systematic investigations and studies to gradually bring about a reasonable balance between the various economic sectors in which each has an appropriate scope of development. We must gradually improve policies on finance, taxation, banking, prices, wages, social security, and the administration of industry and commerce in order to ensure that the public sector maintains its dominant position and to guide other sectors to ensure their healthy development, take advantage of their positive role and suppress their negative effects.

Two points must be stressed here. First, since large and medium-sized SOEs are the backbone of China's socialist economy, their health has a decisive effect on economic development and the consolidation of the socialist system. We must get Party organizations to fully play their role as the political nuclei of these enterprises, adhere to and improve the system whereby factory directors assume overall responsibility, and wholeheartedly rely on the working class. We must establish vigorous management systems and operating mechanisms for SOEs by deepening reform, and effectively improve the vitality of large and medium-sized SOEs. The second point is that agriculture is the foundation of the economy. We need to continue practicing the responsibility system, the main form of which is household contracts that link remuneration to output, improve the two-tiered operational system that integrates unified with independent management, strongly promote development of the system in which various sectors of society provide services, gradually strengthen the collective sector of the economy and promote development of the rural economy.

The principle of distribution according to work is a socialist principle and a manifestation of socialist public ownership. We need to continue to use different modes of distribution, with distribution according to work as the predominant mode. At present, the problems of egalitarianism and of great income disparity both exist in Chinese society. Both are forms of unfairness in income distribution that dampen the enthusiasm of workers and hinder the development of the productive forces. Problems arising in the application of the principle of distribution according to work should be solved through gradual reform of the wage system. Problems in other modes of distribution should be solved by improving policies and regulations concerning them. We need to continue to allow and encourage some regions and some people to prosper first through honest labor and legiti-

mate business activities while also encouraging them to help others who are still not doing so well. We must protect lawful income. Taxation and other means should be used to regulate excessively high incomes. Illegal activities that reap exorbitant profits must be strictly banned in accordance with the law. We have not done enough in this respect and must do better.

In order to establish an economic structure and operating mechanisms that are in line with the development of a socialist planned commodity economy and combine planning with regulation by market forces, we need to observe not only the general laws of a commodity economy but also the special laws of a socialist economy. A socialist commodity economy is based on public ownership, whereas a capitalist commodity economy is based on private ownership, and the two therefore differ in essence. Planning and market forces are means of regulating the economy and are objective requirements for developing a commodity economy based on socialized mass production. Although we may use both planning and market forces to a certain degree, they do not constitute symbols of the difference between a socialist economy and a capitalist economy. In developing a socialist economy, we need to proceed from China's actual conditions and adopt common practices that meet the requirements of both socialized mass production and the development of a commodity economy. At the same time, we must adhere to a correct orientation and never begin to develop a capitalist economy. We need to consciously utilize the law of value in the planned economy. We need to fully exploit the positive role of regulation by market forces and not neglect the role of the market and the law of value, and at the same time strengthen and improve state planning and macro-control. Combining planning with regulation by market forces is an innovation. Thanks to the reforms of the past few years, we have made some progress and accumulated some experience, but we have also encountered many new problems. We will continue to look for specific ways and means to make use of market forces in a planned economy in order to ensure sustained, stable and balanced development of the Chinese economy.

2. In order to develop a socialist political system with Chinese characteristics, we must maintain the people's democratic dictatorship led by the working class and based on the worker-farmer alliance. We cannot let the people's democratic dictatorship be undermined or abandoned. We must also uphold and improve the system of people's congresses rather than turning to a parliamentary system as Western countries have. We must up-

hold and improve the system of multiparty cooperation and political consultation under the leadership of the CPC. We cannot weaken or deny the Communist Party's leadership, nor can we adopt a Western-style multiparty system. We must fully understand the basic requirements for a socialist political system with Chinese characteristics, constantly strengthen socialist democracy and the socialist legal system, and promote a stable, unified and lively political situation in order to guarantee that the people are the masters of the country and that the country enjoys lasting political stability.

The people's democratic dictatorship is a system that combines democracy for the people and dictatorship over their enemies. Under the leadership of the CPC, all the people, including workers, farmers and intellectuals, are masters of the country, run the government and enjoy extensive democratic rights. This is the core of socialist democracy in China and the essential difference between it and capitalist democracy. We need to continue to steadfastly promote socialist democracy and strengthen the people's sense of responsibility as masters of the country. The people's democratic dictatorship, the essence of which is the dictatorship of the proletariat, is just as important as the other three of the Four Cardinal Principles. We stress the dictatorial aspects of the people's political power because class struggle will continue to exist in certain areas in our country for a long time and because there are still international hostile forces attempting to subvert China's socialist system. The turmoil and counter-revolutionary rebellion that took place in Beijing in late spring and early summer of 1989 are proof of this point and we should never forget the historical lessons provided by these shocking political disturbances.

The system of people's congresses is China's fundamental political system. The people exercise state power through the people's congresses, thereby guaranteeing their position as masters of the country. We need to continue adhering to and improving the various institutions of the people's congresses, improve the legislative work of people's congresses and strengthen their oversight over the legal system and government work. The electoral system needs to be improved. The deputies to people's congresses at all levels must maintain close ties with the masses and carefully listen to and consider their opinions and demands. The Party should carry out its activities within the framework of the Constitution and laws. The line, principles and policies of the Party reflect the interests of the people, and the views of the Party should be transformed into the will of the government through legal procedures and legal forms. The Party's leadership of

the people's congresses should be strengthened, and Party committees at each level should support the people's congress at the same level in performing their functions and powers in accordance with the law.

The system of multiparty cooperation and political consultation under the leadership of the CPC is China's basic political system. It is the result of taking into consideration conditions in China in applying Marxist theories of political parties and the united front. It is a unique feature and strong point of the country's political system. The CPC is the core force leading our cause forward. Without the CPC as the strong leadership core, it would be impossible for us to achieve the goals of socialist modernization. Over the past several decades of revolution and development, the Party has established a close relationship with the democratic parties, characterized by long-term coexistence, mutual oversight, sincerity, and sharing of both good and bad times. The democratic parties are participants in state affairs. They are not out of office, nor are they opposition parties. The CPPCC is an important organizational form of the united front and is directed by the CPC. We need to take full advantage of its functions in the political activities of our country. We must continue to uphold and improve China's system of political parties and political consultation and let the democratic parties and patriots from all walks of life fully play their role in participating in the deliberation and administration of state affairs and in democratic oversight. This is necessary in order to uphold and improve the leadership of the Communist Party and to expand ties and strengthen unity with people from all walks of life. Any attempt to institute a Western-style multiparty system would essentially remove the CPC from its leadership position and eliminate its status as the ruling party. Should this occur, the people's political power would be lost, the socialist system would be subverted, the country would dissolve, and the people would suffer. The people of all our ethnic groups will never allow this to happen.

The united front is a talisman our Party uses to unite with all forces possible and to continuously attain success in the revolution and in construction. As we carry out socialist modernization, we need to continue to consolidate and expand the broadest possible patriotic united front and mobilize all positive elements to work together to promote economic and social development and advance the great cause of national reunification.

While working to improve the socialist political system, we also need to adhere to and improve the system of regional ethnic autonomy, continue to implement the Party's ethnic policies, and speed up economic and cultural

development in ethnic autonomous areas in order to bring prosperity and progress to all our ethnic groups. We need to continue to follow the Party's religious policies, consolidate and strengthen ethnic unity, oppose ethnic separation and safeguard the unity of our motherland.

We need to use our leadership to systematically further political restructuring, establish a sound, democratic and scientific policy-making system and a set of related procedures, always follow the mass line and listen to the opinions of people from all walks of life in order to pool the wisdom of all sectors of society. We need to continue institutional reform to streamline leading bodies and functional departments, make them more efficient and cut bureaucracy. Trade unions, the Communist Youth League, women's federations and other mass organizations should fully play their role. Democracy needs to be strengthened in lower-level government organizations in both urban and rural areas. We need to continue to improve the socialist legal system and improve education in the legal system for the masses, particularly for cadres at all levels, so that there are laws to observe, the laws are observed and strictly enforced, and lawbreakers are prosecuted. We must effectively guarantee people's rights to manage state, economic, cultural and social affairs in accordance with the law, as well as their other democratic rights, so that all our undertakings make good progress in accordance with the laws of socialism.

3.We must take Marxism-Leninism and Mao Zedong Thought as our guide, and we will never accept pluralism as a guiding ideology for building socialist culture with Chinese characteristics. We must adhere to the orientation of serving the people and socialism and follow the principle of letting a hundred flowers bloom and a hundred schools of thought contend. We must promote socialist culture and ensure that it thrives. We cannot allow anything that would poison the minds of the people, pollute society or run counter to socialism to spread unchecked. We must draw upon and carry forward the fine cultural traditions of our nation and give full expression to the spirit of the socialist era. We must remain firmly rooted in our own culture while absorbing the great achievements of other cultures. Neither national nihilism nor wholesale westernization can be allowed. We should hold fast to these fundamental requirements for socialist culture with Chinese characteristics; greatly enhance the ideological, moral, scientific and cultural qualities of the entire nation; and make socialist material, cultural and ethical progress.

Upholding Marxism-Leninism and Mao Zedong Thought as our guide

is essential for improving the Party, the government and China's socialist culture, since this guide determines the nature and orientation of our cultural undertakings. Only in this way can we develop Chinese culture along a correct path and in a sound manner, and resist and eliminate the influence of backward and decadent ideologies and cultures. Only in this way will we be able to make steady progress toward creating a progressive, healthy and all-new socialist culture and to foster a new generation of people with high ideals, moral integrity, a good education and a strong sense of discipline. These are the type of people needed to carry out socialist modernization. Therefore, we must continue to teach the people about patriotism, collectivism, socialist ideology and communist ideals, as well as about modern and contemporary Chinese history and China's current conditions. We must strengthen the self-respect, inspire the self-confidence and foster the self-reliance of the Chinese nation; solidify and expand the new type of socialist relationship among our people based on equality, unity, fraternity and mutual assistance; discard retrograde habits and customs; and make socialist ethics prevail in our society. All Party members, Communist Youth League members and progressive people must study diligently in order to fully grasp the Marxist stand, viewpoint and method; cultivate lofty communist ideals and a communist worldview and outlook on life; and behave in accordance with communist ethics. We must protect and promote all thinking and ideology conducive to socialist modernization and to the people's unity and social progress. In short, we need to work to transform our ideological strength into great material strength and provide leadership to the hundreds of millions of our people working to build socialism with Chinese characteristics.

Our culture must serve the people and socialism; give full expression to the people's interests and aspirations; satisfy their multilevel, diverse, abundant and healthy cultural and intellectual needs; and stimulate their enthusiasm for building socialism. The Party follows the important principles of letting a hundred flowers bloom and a hundred schools of thought contend and of making the past serve the present and foreign products serve domestic needs to ensure that our socialist undertakings in science and culture can thrive. While upholding the Four Cardinal Principles, we need to strive to create a dynamic atmosphere that encourages people to try new methods; encourages different academic viewpoints and artistic schools to compete, exchange views and learn from each other; and encourages everyone to engage in criticism and. rebuttal as comrades should. We need to en-

courage in-depth analysis of the practical problems facing China's current economic development and reform, and encourage the creation of more healthy and inspiring cultural products that the people will enjoy. The main themes of these works should reflect the spirit of our socialist era. The Chinese nation is a great nation with a long history and brilliant culture. China's cultural development cannot be separated from its past. We need to retain the beneficial elements in our nation's cultural traditions and reject the rest by weeding out the old to bring forth the new, and develop Chinese culture so that it meets the needs of the times. We must also enthusiastically absorb all of the outstanding cultural achievements of mankind and make them part of our socialist culture with Chinese characteristics. If we are to create a socialist culture well suited to this great era, we must keep our feet firmly planted on Chinese soil, rely on the strength of the people, and orient ourselves toward modernization, the world and the future.

Culture is a vast realm. To conform with the requirements of modernization, we need to work hard in all our cultural undertakings in the areas of education; science; literature and art; the press and publishing; radio, film and television; health and sports; libraries; and museums, and make a variety of cultural and recreational activities available to the masses. We need to steadfastly correct problems while enriching our culture. Specifically, we need to stimulate theoretical research, ensure that cultural undertakings flourish and enrich cultural activities for the masses, while continuing to combat the "six evils."[3]

Education must remain a cornerstone of our plans for many years to come. It provides a very important basis for building a socialist society that is advanced materially, as well as culturally and ethically. Education is of great strategic significance for improving the ideological and ethical standards and the scientific and cultural levels of the whole nation and for training generation after generation of people to take up the socialist cause. Therefore, we must redouble our efforts to develop education and energetically develop educational activities.

Our Party has always attached great importance to ideological work. Whether this work is done well or poorly has a direct bearing on the success of the socialist cause. The ideological sphere is a major arena for struggle between those trying to bring about peaceful evolution toward capitalism in China and those opposing it. Bourgeois liberalization is the antithesis of the Four Cardinal Principles, and the struggle between these two is essentially a political struggle over whether or not to retain the

leadership of the Communist Party and keep to the socialist road. By and large, this struggle usually takes the form of an ideological and theoretical struggle. If socialist ideology does not prevail in the areas of ideology and publicity, capitalist ideology will. Party committees at all levels must pay close attention to ideological work, make their leadership in this area more effective, and firmly exercise leadership over departments in charge of ideological work. They must persevere in using strong and convincing arguments to explain the need to uphold the Four Cardinal Principles and oppose bourgeois liberalization. Most ideological problems stem from poor or incorrect ideological understanding and therefore fall under the category of internal conflicts among the people. We must strictly distinguish between the two different types of conflicts, those between the people and the enemy and those among the people themselves, and handle them correctly. Party committees at all levels need to adopt specific measures to support and organize activities that involve ideological and cultural workers more deeply in the lives of the masses and in economic development and reform, and guide them in obtaining nourishment from the process of socialist modernization and putting their talents to best use, so they become qualified engineers of the human soul.

China's socialist economy, political system and culture with Chinese characteristics form an organic and indivisible whole. The fundamental purpose of improving these three systems is to arouse the enthusiasm of the masses, stimulate development of the productive forces and make all-round social progress. We must keep economic development as the central task throughout the process of socialist modernization. This task must take precedence over and be served by all other work of the Party and government, and we should never do anything to deviate from or even worse to interfere with this task. As Comrade Deng has repeatedly cautioned us, unless a large-scale war breaks out, all Party members must always concentrate on economic development so that we can continue making progress toward our strategic objectives. We must ensure that all Party members and all the people firmly believe in this ambitious and bold undertaking and constantly and steadfastly carry it out. As the economy develops, the overall strength of the country increases, people's living standards improve and the country becomes more powerful, then the tremendous superiority of socialism will become more apparent. This will enable us to build a more solid and substantial material and cultural foundation that will help us resist peaceful evolution toward capitalism and make our socialist system even

more invincible. Efforts to modernize the economy and greatly increase labor productivity can only succeed if we modernize the country's science and technology. We must fully recognize that science and technology are a primary productive force, a great force that drives economic and social development. We must fully exploit the role of science and technology, respect knowledge and talent, and more purposefully make economic development more dependent on advances in science and technology and improvement in the overall quality of the workforce. We need to take effective measures to convert scientific advances into actual productive forces. All Party members must deepen their understanding of this great strategic task and work hard to accomplish it. We are developing the productive forces under socialism. During this process, we must take full advantage of the superiority of socialism and fully recognize the tremendous effect of mental on material things, of social consciousness on social being, of the relations of production on the productive forces, of the superstructure on the economic base, and of politics on the economy. We must never forget these principles of dialectical materialism and historical materialism. We need to bear in mind the lessons learned in recent years from the mistake of stressing material progress and neglecting cultural and ethical progress, by working on both material progress and cultural and ethical progress and making full use of the Party's strength, which is that it has always stressed the importance of ideological and political work, in order to ensure balanced development of the economy, political system and culture with Chinese characteristics.

We must uphold the Four Cardinal Principles and adhere to the general principle of reform and opening up as we build a socialist economy, political system and culture with Chinese characteristics. Only reform can fully bring out the superiority of the socialist system. The great achievements we have made in all our endeavors since the Third Plenary Session of the Eleventh Central Committee cannot be separated from the reform and opening up policy. We have already identified basic requirements for building a socialist economy, political system and culture with Chinese characteristics. Only through reform will we be able to incorporate these requirements into our daily activities in a concrete form and institutionalize them. The many new problems we face in working toward the objectives for the second step of the strategic plan for modernization and laying a solid foundation for attaining the objectives for the third step must be solved through the spirit of reform. Reform is a huge and complex systems en-

gineering project that includes reform of economic, political, educational, scientific, technological and cultural institutions. Such reform needs to be carried out in a balanced and coordinated manner. We must carefully organize the implementation of the reforms specified in the Outline of the Ten-Year Program and the Eighth Five-Year Plan to ensure their success. Engels said long ago, "So-called socialist society is not, in my view, to be regarded as something that remains crystallised for all time, but rather as being in a process of constant change and transformation like all other social conditions."[4] A socialist system can only gradually become more sound, optimal and mature through constant self-reform. The historic mission of the Chinese Communists is to devote themselves to the great cause of reform and, through reform, consolidate and develop China's socialist system and widen the path, increase the momentum and strengthen guarantees for economic development and the all-round social progress of the country. We must continue to work to emancipate our minds, seek truth from facts, do away with superstitions, proceed from reality in everything we do, boldly try new things, act courageously, and diligently learn from our experience in order to further deepen and expand reform, open wider to the outside world and produce even greater results. Reform in China is the self-improvement and self-development of the socialist system, a process in which we make the most of our advantages, eliminate defects and innovate boldly. In the process of opening up, we must introduce advanced technology, scientific managerial expertise and outstanding cultural achievements from other countries, and attract foreign capital in order to make the country more self-reliant in promoting economic and social development and more competitive in the international arena. If we do not carry out reform, China's socialist system will not be able to maintain its vitality. If we fail to adhere to a socialist orientation in reform, all the achievements made by the Party and the people over the last 70 years will come to naught. We must distinguish between the two fundamentally different concepts of reform and opening up — the concept of reform and opening up under the guidance of the Four Cardinal Principles and the concept advocated by proponents of bourgeois liberalization. The latter would, in essence, lead China toward capitalism. Reform must proceed from actual conditions in the country and cannot be allowed to stall or become too focused on simply achieving quick results. Under the leadership of the Party, we must rely on the wisdom of the people, move forward in an orderly and step-by-step manner, and adopt energetic but prudent principles to guarantee political,

economic and social stability and development.

Under the leadership of the Party, the PLA serves as a solid pillar supporting the people's democratic dictatorship, a Great Wall of steel protecting the socialist motherland and an important force helping to build socialism with Chinese characteristics. The army has always sought to wholeheartedly serve the people. It plays an important role and provides an invaluable service in strengthening national defense, resisting foreign aggression, defending the People's Republic and the socialist system, protecting the people so that they may work in peace, and promoting the country's socialist development. Without the people's army, the people would have nothing. Further strengthening the army and national defense is of far-reaching strategic significance under current conditions. This is essential in order to ensure lasting political stability and smooth progress in socialist modernization. The Party must steadfastly strengthen its firm and absolute leadership over the army and keep it highly centralized and unified at all times. We need to constantly modernize the army's equipment as the country develops economically and becomes stronger. Weapons are an important factor in war, but not the decisive one. The decisive factor is personnel who have high political consciousness and morale and a good mastery of modern military technology. We need to continue to improve ideological and political work and military training so that all our troops are qualified politically and competent militarily and have a fine work style, strict discipline and adequate logistics support. We must strive to make the PLA a modern, standardized, powerful and revolutionary army.

We need a peaceful international environment to build socialism with Chinese characteristics. The old world structure is disintegrating and a new one has yet to take shape, leaving the world in an uncertain period of transition between structures. Under these circumstances, we need to persevere in our independent foreign policy of peace and actively develop friendly relations with all countries. In particular, we need to maintain and develop good-neighborly friendship with our neighboring countries and strengthen our unity and cooperation with other third world countries. In international affairs, we will never seek hegemony, and we resolutely oppose hegemonism and power politics in any form and oppose the use or threat of force. We advocate resolving international disputes and maintaining world peace through peaceful negotiations. We will resolutely safeguard the fundamental interests of the Chinese people, protect the country's sovereignty and our national dignity, and never allow any-

one to interfere in China's internal affairs. We have consistently advocated developing economic and technological cooperation and trade with all other countries on the basis of equality and mutual benefit. In our relations with the political parties of other countries, we will continue to follow a principle of independence, complete equality, mutual respect and noninterference in each other's internal affairs. We need to work with all other countries and peoples of the world to contribute to the establishment of a new international political and economic order on the basis of the Five Principles of Peaceful Coexistence.

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[1] "We Are Building a Socialist Society with Both High Material Standards and High Cultural and Ethical Standards," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 38.

[2] These 12 principles were set out in the Proposal of the CPC Central Committee for Formulating the Ten-Year Program and the Eighth Five-Year Plan for National Economic and Social Development adopted at the Seventh Plenary Session of the Thirteenth Central Committee on December 30, 1990.

1) We must uphold the people's democratic dictatorship led by the working class and based on the worker-farmer alliance, constantly improve the system of people's congresses and the system of multiparty cooperation and political consultation under the leadership of the CPC, keep consolidating and developing the broadest possible patriotic united front, and improve socialist democracy and the socialist legal system.
2) We must keep development of the productive forces as the fundamental task of socialism, devote ourselves wholeheartedly to modernization, and constantly improve the people's material and cultural lives.
3) We must carry out reform to constantly improve China's socialist economic and political systems and other regulatory systems, and mobilize the full initiative, enthusiasm and creativity of central and local governments, enterprises and working people of the country.
4) We must continue to open wider to the outside world in various ways such as developing economic and trade relations with other countries, utilizing foreign capital and introducing advanced foreign technology, establishing SEZs and open economic areas, and adopting necessary special policies and flexible measures.
5) We must uphold the ownership structure under which socialist public ownership is dominant and diverse economic sectors coexist. We must let the private sector, which includes individually owned enterprises, and other economic sectors serve as a beneficial supplement to the public sector while strengthening correct regulation and guidance for them.
6) We must vigorously develop the socialist planned commodity economy, combine planning with regulation by market forces, and promote sustained, stable and balanced development of the economy.
7) We must practice a wealth distribution system with distribution according to work as the principal mode of distribution supplemented by other modes, allow and support some people and some regions to prosper first through honest labor and legitimate business activities while also encouraging them to help other people and regions that are still not doing well so that all people and all regions gradually prosper.
8) We must continue to be guided by Marxism-Leninism and Mao Zedong Thought, draw upon and carry forward China's splendid cultural heritage, learn from and absorb all of the outstanding cultural achievements of the world, constantly improve the ideological and moral standards and the scientific and cultural levels of the entire nation, and promote socialist cul-

tural and ethical progress.

9) We must establish and develop socialist ethnic relations based on equality, mutual assistance, unity, cooperation and common prosperity, uphold and improve the system of regional ethnic autonomy, and oppose ethnic discrimination, oppression and separatist activities.
10) We must promote the gradual realization of the great cause of national reunification by adhering to the concept and practice of "one country, two systems."
11) We must maintain an independent foreign policy of peace, develop friendly relations with all countries on the basis of the Five Principles of Peaceful Coexistence, oppose hegemonism and power politics, support the just struggle of oppressed nations and peoples, safeguard world peace and promote progress of the human race.
12) We must uphold the leadership of the Communist Party, constantly improve its leadership system, style and methods, and strengthen it politically, ideologically, theoretically and organizationally so that it will always remain the firm leadership core of the socialist cause.

[3] A reference to six types of crime that endangered the healthy atmosphere of society and were the focus of an anti-crime campaign at that time. The six types of crime were prostitution; manufacture, sale or dissemination of pornography; abduction and sale of women or children; illicit cultivation, abuse or trafficking of illegal drugs; gambling; and making use of feudal superstitions to fraudulently obtain assets or harm people.

[4] Karl Marx and Frederich Engels, "Engels to Otto von Boenigk," *Collected Works*, Eng. ed., International Publishers, New York, 1996, Vol. 49, p. 18.

FURTHER STUDY AND PROMOTE THE SPIRIT OF LU XUN*

September 24, 1991

Lu Xun was born 110 years ago in Shaoxing, Zhejiang. During his more than 50 years on earth, the Chinese nation suffered devastating calamities, including both domestic turmoil and foreign invasion, and faced grave threats to the country's existence. In the 50 plus years since his death, the CPC has continued to lead the people of all our ethnic groups in a determined struggle that won victory in the new-democratic revolution against imperialism and feudalism and in socialist revolution and construction, and that achieved the initial successes in socialist modernization that attracted the world's attention. These 110 years were a period in which China experienced national and class struggle of a ferocity unprecedented in its history and society underwent a complete upheaval. Lu was a great representative of the Chinese people and an immortal warrior who struggled indomitably for national and social liberation. His writings and thought are a spiritual heritage that will always retain their vitality and encourage the people to undertake historic new creative activities.

Lu once used grief-stricken phrasing like "buffeted by endless storms,"[1] "freezing cold-blanketed land,"[2] and "gaunt-faced commoners"[3] to describe the age in which he lived. After the Opium War, China was gradually reduced to a semi-colonial, semi-feudal society. Nearly all the Western capitalist, imperialist powers participated in carving up the country and humiliating and exploiting the Chinese people. When Lu was 13 years old, the Sino-Japanese War of 1894-95 broke out. The next year, the Qing government signed the humiliating Treaty of Shimonoseki. When he was 19, the Eight-Power Allied Forces attacked and seized Beijing, burning, killing and looting, and stopping at nothing. The next year, the Qing government signed the Treaty of 1901 with 11 Western countries. When Lu was 34, the government of the Northern Warlords signed the Twenty-one Demands with Japan, an action virtually tantamount to proclaiming the subjugation of China. Lu faced two kinds of historical facts: on the one hand, sovereignty was forfeited, the country was disintegrating, and the people were

* Speech at a meeting commemorating the 110th anniversary of Lu Xun's birth.

dispossessed and plunged into suffering; and on the other hand, beginning with the Taiping Rebellion, and then followed by the Constitutional Reform and Modernization Movement, the Yihetuan Movement, the Revolution of 1911, the May 4th Movement, and especially the Great Revolution of KMT-CPC cooperation and the heroic struggle of the Communists after the revolution's failure, the resistance of the Chinese people never flagged or faltered. Lu was the kind of great thinker and patriot who emerged in the struggle between light and darkness, between progress and regression, and between revolution and reaction who determined the fate of the Chinese nation.

All his life, Lu pursued truth and progress. He studied mining and medicine before finally taking up the pen as a sword. In his view, summoning to wakefulness the spirit of the people and remolding and improving their consciousness were urgently needed for national and social liberation. Like other progressive people of his age, he first turned his gaze toward the West, embracing the enlightenment thinking of Rousseau,[4] Montesquieu,[5] and their like and accepting the theory of evolution championed by Darwin[6] and Huxley.[7] He was also influenced by Schopenhauer[8] and Nietzsche.[9] After numerous setbacks, particularly a review of the lessons of the failure of the Revolution of 1911, Lu finally freed himself from his indecision and depression and gradually realized that the worldview of capitalism and its social and political programs could not save China. The victory of the Russian October Revolution and the rise of the Chinese proletarian revolutionary movement represented for him a dawn of hope. The First Revolutionary Civil War in China failed, and a large number of Communists and other revolutionaries were slaughtered, plunging the whole country into a period of white terror. Lu made repeated observations and comparisons, studied and pondered the situation for a long time, and when the revolution was at its nadir, stood up and joined the ranks of the proletariat. He firmly believed that "The future belongs solely to the rising proletariat,"[10] and likewise believed that the hopes of China and all of mankind were placed on the CPC led by Comrade Mao Zedong. He closely combined the worldview and methodology of Marxism and the revolutionary spirit and firm stand of the proletariat with his deep understanding of Chinese society, his immense knowledge and his extensive fighting experience to make a great contribution to criticizing the old culture and creating a new culture and became the commander of China's cultural revolution. He was an organizer and spiritual leader of the left-wing cultural workers

in the CPC-led resistance to the military and cultural campaigns of encirclement and annihilation carried out by the reactionary KMT. The intellectual depth, historical content and militancy of his writings had seldom been seen before in Chinese literature, and the immense value his writings, thinking and personal character had in arousing and unifying the Chinese people and making the Chinese nation more cohesive and self-confident, and the far-reaching influence they had far exceed those of any other modern Chinese writer. Lu's spirit is the crystallization of the spirit of the Chinese nation. Although he did not formally become a member of the CPC, he was its staunchest comrade-in-arms and a great communist. Comrade Mao said of Lu, "The chief commander of China's cultural revolution, he was not only a great man of letters but a great thinker and revolutionary. Lu Hsun was a man of unyielding integrity, free from all sycophancy or obsequiousness; this quality is invaluable among colonial and semi-colonial peoples. Representing the great majority of the nation, Lu Hsun breached and stormed the enemy citadel; on the cultural front he was the bravest and most correct, the firmest, the most loyal and the most ardent national hero, a hero without parallel in our history. The road he took was the very road of China's new national culture."[11] Lu is the pride of the Chinese nation, and he will forever live in the hearts of the Chinese people.

Lu cursed the era in which the Chinese people were either slaves or worse than slaves. That time has long since passed, and the descendents of Runtu and Xianglin's wife[12] have already become masters of their country and the creators of a new life. Our thriving socialist motherland has bid farewell to poverty and backwardness and is marching day by day toward prosperity and strength. Especially after the Third Plenary Session of the Eleventh Central Committee, by implementing the Party's basic line of setting economic development as the central task, and upholding the Four Cardinal Principles and the reform and opening up policy, our country has considerably increased its overall strength, significantly improved the people's material and cultural lives, and constantly improved and consolidated the socialist system. Having smoothly achieved the objectives set for the first step of the strategic plan for national economic and social development, we are now confidently striving to attain the objectives for the second step set forth in the Ten-Year Program and the Eighth Five-Year Plan for National Economic and Social Development. We needed the spirit of Lu during the revolutionary war, and we likewise need it now during this period of socialist modernization, reform and opening up. Some years ago,

bourgeois liberalization spread widely, and Lu was distorted and deprecated by some people. The process of correcting the mistake of focusing too much on material progress while ignoring cultural and ethical progress and of eliminating the influence of bourgeois liberalization has underscored the great practical importance of drawing upon and carrying forward Lu's spirit. Lu's writings are an ideological treasure trove forever imparting to us wisdom and strength. As we face an intricate international situation and numerous difficult domestic tasks in development and reform, not only are people active on the cultural front bound in duty to study Lu and propagate his thinking, but the broad masses of workers, farmers and intellectuals, as well as cadres working in all areas, also need to further study and foster Lu's spirit.

We need to further study and foster Lu's spirit of patriotism.

Beginning in his youth, Lu expressed the noble ideal that, "I will offer my blood to the Yellow Emperor."[13] After he became a communist, he even more willingly gave his all to the cause of liberating the nation and society. He was merciless to the enemy but felt a genuine love for the motherland and its people. "Fierce-browed, I coolly defy a thousand pointing fingers. Head bowed like a willing ox I serve the children."[14] These oft-recited lines of Lu's poetry mark a vivid expression of his patriotic spirit and noble character. Lu always stood at the forefront of the times and struggled tirelessly his entire life to help the motherland extricate itself from humiliation and to help the people achieve liberation. His spirit of unconditional patriotism led him to turn his back on the feudal gentry class into which he was born, clearly see the weakness and vacillation of the Chinese bourgeoisie, and firmly believe that only the proletariat and socialism could save the motherland. Lu embodied in his person the Chinese intellectuals' noble temperament "to be above the power of riches and honors to make dissipated, of poverty and mean condition to make swerve from principle, and of power and force to make bow down,"[15] combined with the glorious tradition of the Chinese people to never passively accept humiliation from foreign powers and to courageously fight for national honor. Later the guidance of the communist worldview took his thinking to a higher plane, and this thinking thus took on an entirely new character and reflected the mood of the times. Lu was unselfish and fearless, and he was like a cow that ate only grass and produced milk.[16] He was the kind of model who would attack the enemy ferociously and serve the people

with his whole heart. After Lu passed away, the people of Shanghai gave him a solemn funeral and people all over the country held commemorative services for him. A representative of the people of Shanghai covered his casket with a banner emblazoned with the three-character eulogy "the nation's soul." "The nation's soul" — this is the most sincere and appropriate judgment by the Chinese people of their great representative.

We need to further study and foster Lu's militancy.

Lu was a man of unyielding integrity who struggled resolutely. He advocated fighting tenaciously. Being tenacious means not yielding in the face of setbacks and pursuing objectives with great doggedness. Lu clearly understood that the course of revolution would not always be smooth, and that setbacks, losses and sacrifices would be inevitable. However, to achieve the revolution's objectives of liberating the nation and making the country prosperous and strong, he said, "We need to do it even though it's difficult; the more difficult it is, the more it needs to be done."[17] Lu never harbored romantic illusions about the revolution and frequently criticized people who thought the revolution could "be won with a single shot."[18] He pointed out, "If everything were settled and predictable and the task were no more difficult than chopping bamboo, it wouldn't be a revolution and it wouldn't be a struggle," and "Revolution takes blood and it's dirty, but it gives birth to a child."[19] When the revolution was at its nadir, Lu on the one hand uncompromisingly carried on the battle against the enemy and remained ever ready to sacrifice his life and, on the other hand bitterly denounced the traitors who betrayed the revolution, exposing the vermin in the lion's mane — opportunists who had insinuated themselves into the revolutionary camp as well as the "flip-flop revolutionaries" who outdid each other in repentance and dejection when the revolution suffered setbacks. When the revolution was at its zenith, he warned people not to get giddy with success and cautioned them of the need to "give top priority to guarding their strongholds."[20] Lu's rocklike revolutionary resolve and tenacious militancy had their origin in a correct grasp of the laws of historical development and his intimate ties with the masses and progressive social forces. From his example, we can see what great Marxist wisdom and courage are, what kind of noble character a true revolutionary should have, and what the backbone of the Chinese people is.

We need to further study and foster Lu's spirit of drawing on others' strengths and boldly innovating.

Lu had not only a rock-firm standpoint, but also a broad mind and wide vision. Not only did he carry on the fine traditions of the Chinese nation, but he was also a reformer committed to innovation. He used his trenchant pen to castigate the imperialist lackeys and capitalist compradors who sold out their country while also firmly opposing those whose admiration of China's splendid cultural traditions stood in the way of progress. He waged an uncompromising struggle to combat the trend toward total westernization, while also advocating widely assimilating the fruits of other cultures. He admired the bold vision that once propelled the Han and Tang dynasties to greatness, and advocated the policy of adopting beneficial foreign practices. Translations constitute about one third of all his extant writings. Throughout his career, he untiringly introduced outstanding foreign literary and theoretical writings to the Chinese public, particularly works that portrayed weak nations resisting foreign invasion and battling domestic oppression. He was a great writer who drew on the best from ancient and modern times and domestic and foreign sources, digested and integrated everything he read, and adapted it to his own purposes. He created numerous unique, original artistic characters tailored to portray a new way of life. This kind of spirit is applicable not only in literary and artistic creation, but also in many other areas. Today, while adhering to the Four Cardinal Principles, we must further deepen reform and open up more. We need to constantly expand economic and technological cooperation and cultural exchanges with foreign countries, and strengthen friendly contacts with their people. To create a socialist economy, political system and culture with Chinese characteristics, we must be independent and self-reliant and actively assimilate all nutrients from foreign sources on that basis. In this respect, Lu's legacy contains much that can give us profound inspiration.

From patriot to communist — this is the road that Lu as well as all other progressives in modern China took. In modern China, Communists are the most ardent patriots because Communist Party members represent the fundamental long-term interests of the overwhelming majority of the Chinese people and because only socialism can save China. During the democratic revolution, only the Communist Party could lead the people in an all-out struggle against imperialism and feudalism. During the socialist revolution and construction, only the Communist Party could lead the people in resolutely safeguarding national independence and dignity and

make the country prosperous and powerful. It was Chinese Communists who fearlessly risked their lives to lead the people in overthrowing imperialist domination of China, realizing the dream of the people of all our ethnic groups of national independence and self-determination, and raising up a mighty socialist China in the East impervious to any changes in the international situation.

Comrade Mao thought Lu's being free from all sycophancy or obsequiousness was the most valuable character trait a colonial or semi-colonial people can have. We should realize that it is also the most valuable character trait we can have today, a time when we have already achieved national independence and state sovereignty and are in the midst of focusing our strength on carrying out socialist modernization. International hostile forces have not ceased for a day inciting peaceful evolution toward capitalism, assisted by bourgeois liberalization elements within China. This kind of hostile activity already poses a real threat to our country's independence and sovereignty and to our modernization, reform and opening up. That is to say, peaceful evolution toward capitalism and bourgeois liberalization are intended not only to overthrow our socialist system — to get to the heart of the matter — their ultimate purpose is to strip us of our national independence and state sovereignty. Were the conspiracy of domestic and international hostile forces to succeed, we would lose not only the fruits of the socialist revolution and construction, but also the fruits of the democratic revolution, and not only would our march toward prosperity and national power be halted, but we would again sink into vassalage to the Western powers. The CPC and the Chinese people of all ethnic groups absolutely will never allow this to happen. We need to educate cadres, the masses and youth in the glorious example of Lu so that they will engrave in their minds the insults and humiliation the motherland suffered in the past, and the glorious history of generation after generation of courageous revolutionary fighters, and understand it was not easy to arrive at where we are today. We need to raise the people's sense of ethnic self-respect and pride, strengthen their faith in socialism, and persuade them that contributing their all to promoting the motherland's socialist modernization is the most glorious thing they can do, and that damaging the socialist motherland's interests, dignity or honor is the most disgraceful thing they can do.

Lu said that originally the earth had no roads to begin with, and that they were trampled out by human footsteps through the thornbrake. In building socialism with Chinese characteristics we are blazing a trail

where no one has gone before. After more than ten years' experience along this course, the CPC and the Chinese people firmly believe that we are on the right path. No matter how many difficulties and obstacles we encounter, we will unwaveringly follow this course. In the great cause of socialism with Chinese characteristics, we should work together in a down-to-earth manner, conscientiously hew our way through difficulties and constantly break new ground. This is the best possible way to commemorate Lu Xun.

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[1] "Inscription on a Photograph of Himself," *The Complete Works of Lu Xun*, Chin. ed., People's Literature Publishing House, Beijing, 2005, Vol. VII, p. 447. The complete passage is, "The tower cannot avoid God's keen arrows, Dark is the ancient garden buffeted by endless storms."

[2] "Untitled" (January 23, 1932), *ibid.,* p. 455. The complete passage is, "Strong grows the grass on plains made rich with blood, In freezing cold-blanketed land spring starts to quicken."

[3] "Random Writing from Early Summer of 1934," *ibid.,* p. 472. The complete passage is, "The gaunt-faced commoners are buried by weeds, None dares to sing a dirge to move the earth to grief."

[4] Jean-Jacques Rousseau (1712-78) was a French Enlightenment thinker, philosopher, educator and writer. His principal works include *Discourse on the Origin of Inequality, The Social Contract,* and *Confessions.*

[5] Charles-Louis de Secondat Montesquieu (1689-1755) was a French Enlightenment thinker and jurist. His principal works include *Persian Letters, Considerations on the Causes of the Greatness of the Romans and of Their Decline,* and *The Spirit of the Laws.*

6 Charles Darwin (1809-82) was an English naturalist and the propounder of the theory of evolution. His principal works include *The Origin of Species, The Variations of Animals and Plants Under Domestication,* and *The Descent of Man, and Selection in Relation to Sex.*

[7] Thomas Henry Huxley (1825-95) was an English naturalist. His principal works include *Evidence of Man's Place in Nature, On Our Knowledge of the Causes of the Phenomena of Organic Nature,* and *Evolution and Ethics.*

[8] Arthur Schopenhauer (1788-1860) was a German voluntarist philosopher. His principal works include *The World as Will and Representation, On the Will in Nature,* and *The Two Fundamental Problems of Ethics.*

[9] Friedrich Nietzsche (1844-1900) was a German voluntarist philosopher and an important existentialist philosopher. His principal works include *The Birth of Tragedy, Thus Spoke Zarathrustra, Beyond Good and Evil,* and *The Will to Power.*

[10] Lu Xun, "Preface to *Two Hearts," op. cit.,* Vol. IV, p. 195.

[11] "On New Democracy," *Selected Works of Mao Tse-tung,* Eng. ed., FLP, Peking, 1965, Vol. II, p. 372.

[12] Runtu and Xianglin's wife are characters representative of the toiling masses in Lu Xun's works "My Old Home" and "The New Year's Sacrifice" respectively.

[13] Lu Xun, "Inscription on a Photograph of Himself," *op. cit.,* Vol. VII, p. 447. The complete passage reads, "Unrecognized, I put my hope in an ice-cold star, While offering my blood to the Yellow Emperor."

[14] "Self-Ridicule," *ibid.,* p. 151.

[15] *Mencius,* Book VI, "Teng Wen Gong," Part II. The original text reads, "To dwell in the wide house of the world, to stand in the correct seat of the world, and to walk in the great path of the world; when he obtains his desire for office, to practise his principles for the good of the people; and when that desire is disappointed, to practise them alone; to be above the power of riches and honors to make dissipated, of poverty and mean condition to make swerve from principle, and of power and force to make bow down — these characteristics constitute the great man."

[16] Cf. "Dedication," *Selected Works of Xu Guangping*, Chin. ed., Vol. II, Jiangsu Literature and Art Publishing House, Nanjing, 1998, p. 3. The original passage is, "He once told me, 'I am like a cow: I eat only grass, but I produce milk and blood.'"

[17] Lu Xun, "The Rebirth of the Chinese Language," *op. cit*., Vol. VI, pp. 119-20.

[18] "Hot Wind," *Random Thoughts*, No. 41, ibid., Vol. I, p. 340.

[19] "Translator's Note on the Chinese Translation of Chapters 1-3, Part 2 of *Razgrom*," *ibid*., Vol. X, p. 372.

[20] "Letter to the Pomegranate Flower Society," *ibid*., Vol. XII, p. 409.

ON ETHNIC WORK*

January 14, 1992

The Central Committee and State Council are holding this Central Conference on Ethnic Work for the important purpose of further spurring the whole Party and the people of all our ethnic groups to strengthen the great unity among all ethnic groups and to work with one heart and mind to achieve the objectives for the second step of the strategic plan for modernization.

I. **The Great Accomplishments China Has Made in Ethnic Work**

Ethnic affairs have always been an important issue in our country's revolution and construction. Since its founding, the CPC has recognized the importance of ethnic problems and actively sought the correct way to solve them. The birth of New China opened a new era in the history of our ethnic groups. Through decades of hard work, we have achieved great success in our ethnic work and accumulated much experience, which provides a solid foundation for continuing to do this work well.

In old China, the people of all our ethnic groups were severely oppressed and exploited, and the masses of our ethnic minorities suffered the most. Our Party led the people of all ethnic groups in toppling the three big mountains of imperialism, feudalism and bureaucrat-capitalism, and together we founded the People's Republic of China, completely abolished all the systems that had oppressed ethnic groups, and achieved equality among them. In the early days of the People's Republic, work to investigate and identify the ethnic situation was done on a massive scale throughout the country. Tens of powerless ethnic minority groups whose existence had not been acknowledged before liberation were received as full members of China's great family of ethnic groups. We also eliminated or changed place names and ethnic group names and other forms of address that were commonly used in old China but which are discriminatory or insulting to ethnic minorities. All ethnic groups' religious beliefs and

* Speech at a Central Conference on Ethnic Work. Its original title was "Strengthen the Great Unity Among All Ethnic Groups and Progress Hand in Hand in Building Socialism with Chinese Characteristics."

customs are fully respected. The people of all ethnic groups enjoy the democratic rights, freedoms and equal right to development that are laid out in the Constitution and laws. They all participate in the supervision of social affairs with a high level of political enthusiasm and sense of being masters of their country, and they participate as equals in discussing and deciding important matters of state.

In old China, the economic and social development of ethnic minorities always lagged behind the rest of society. Some of them were still in the stage of feudal serfdom or even in a state of slavery, and more than ten of them had remnants of primitive communalism. After the founding of New China, our Party carried out broad consultation and adopted a variety of steps and measures to carry out democratic reform and socialist transformation in numerous ethnic autonomous areas in accordance with the wishes of the ethnic minority people and on the basis of the coexistence of a multiplicity of social forms. It eliminated the problems of class oppression and exploitation within ethnic minority groups and instituted a socialist system. Many ethnic minority groups with a low level of development leapfrogged several stages of social development and made remarkable social progress. This was a great watershed in China's history of ethnic development.

We fully implement the system of regional ethnic autonomy. This system organically combines the centralization and unity of the country with regional autonomy in areas where ethnic minorities are concentrated and organically integrates political and economic factors. It is a basic system for solving ethnic problems that entirely suits China's conditions, and it is a great undertaking of the Party and the people of all ethnic groups. Altogether, our country has established five autonomous regions, 30 autonomous prefectures and 124 autonomous counties. In areas where ethnic minorities are more scattered, we have also established more than 1,200 autonomous townships. In 1984, we promulgated and implemented the Law of the People's Republic of China on Regional Ethnic Autonomy. All this has played an important role in ensuring that ethnic minorities can fully exercise their rights as masters of their own fate, promoting development in ethnic autonomous areas and stability along our borders, and safeguarding national unity.

For the last 40 years, and especially since the beginning of reform and opening up, great changes have occurred in economically backward ethnic autonomous areas. In 1990, the gross output value for both industrial and

agricultural production in ethnic autonomous areas reached 227.3 billion yuan, 9.8 times greater than in 1952, including a 46.3-fold increase in industrial production. Combined urban and rural retail sales reached 78.1 billion yuan, 43 times greater than in 1952. From 1980 to 1990, the GNP of the five autonomous regions increased by 140%. More than 40 years of development work have noticeably transformed backward agricultural and pastoral sectors in ethnic autonomous areas. In most of the ethnic autonomous areas that basically did not have modern industry in the past, there are now a large number of industrial enterprises, including many key state projects. Great improvements have been made in those areas' infrastructure such as energy, transportation and communications. The pace of opening up is accelerating, and border trade is burgeoning. In 1990, the per capita annual net income of farmers and herders in ethnic autonomous areas reached 402 yuan. Most members of ethnic minorities have adequate clothing and food, and some of them have already begun living a comfortable life.

Great progress has been made in education, science and technology, culture, health and sports for ethnic minorities and in ethnic autonomous areas. The state has put great effort into developing elementary education in these areas in accordance with conditions there, and it has built many boarding schools in pastoral areas and remote border areas. A number of institutions of higher education have been established in ethnic autonomous areas for their residents. The state operates 12 universities exclusively for ethnic minority students, and many other universities hold special classes for them. There are also many cadre schools and vocational schools for them. These universities and schools have trained a large number of ethnic minority students and awarded them higher or secondary education degrees to prepare them for a future as cadres or professionals. In ethnic autonomous areas, science and technology are developing very quickly, the scientific level is gradually rising, and practical science and technology are becoming more widespread. The oral and written languages of ethnic minorities are respected and preserved, and their outstanding cultural traditions are being drawn upon and carried forward. There are more than 200 newspapers and periodicals published in minority languages across the country. Many more ethnic autonomous areas now have radio and television reception than ever before. China National Radio and local radio stations broadcast in 21 minority languages every day. Great progress has been made in the fields of medicine and health — including traditional

medicine of ethnic minorities — in ethnic autonomous areas, and the number of hospital beds in use there increased 23.5-fold from 1952 to 1990. Ethnic minority sports have developed vigorously, and the fitness level of ethnic minority people has improved considerably.

For more than 40 years, the people of all ethnic groups have been united as one and have worked side by side to make enormous contributions to promoting national unity, stability and prosperity. The great unity among all our ethnic groups has been put through numerous severe tests. No matter what radical changes took place abroad or disturbances occurred at home, our ethnic groups lived together in harmony, helped each other, and shared each other's hardships and dangers, fully embodying the great cohesiveness of the Chinese nation. We can proudly say that the great unity of China's ethnic groups is firm, and this provides an important guarantee for our country's economic development, social progress and political stability.

The most basic reason China has achieved such great success in its ethnic work is that our Party has always integrated the basic tenets of Marxism with the concrete realities of our ethnic groups; adhered to the principle of ethnic equality, unity and mutual assistance; perseveringly implemented the system of regional ethnic autonomy; built socialism to promote the prosperity of all ethnic groups; and solved ethnic problems by taking the correct path with Chinese characteristics. Our past success and experience were hard won. During the long period of revolution and construction, the older generation of proletarian revolutionaries, including comrades Mao Zedong, Zhou Enlai, Liu Shaoqi, Zhu De and Deng Xiaoping, made great contributions to resolving China's ethnic problems, establishing and developing socialist ethnic relations, and developing a Marxist theory of ethnic relations, and the product of their work is a treasure trove of intellectual wealth. We must unwaveringly carry forward the work the older generation of proletarian revolutionaries undertook to benefit the cause of ethnic unity and progress.

II. Fully Recognizing the Protractedness, Complexity and Importance of Ethnic Work

Our country has 55 ethnic minorities with a total population of nearly 100 million, and the overwhelming majority of the areas along our land border have large minority populations. Our ethic autonomous areas are vast and rich in natural resources, and they cover 64% of our country's

total land. The great majority of our counties and cities have at least two ethnic groups living together. This is one of our country's basic features. We must fully recognize the protractedness, complexity and importance of ethnic work from the perspective of rejuvenating the Chinese nation and consolidating and developing socialism in our country.

Everyone knows that ethnic groups, social classes and states all are born, develop and wither away in accordance with objective law. As social, economic and cultural development occurs, ethnic groups learn from and influence each other, in the course of which common factors will constantly increase, but all ethnic groups will keep some unique traits, and differences will persist among them for a long time. As long as there are ethnic groups there will be ethnic problems, including problems within ethnic groups, problems between ethnic groups, and problems between ethnic groups and the country and its social classes. Throughout the long course of social historical development, ethnic issues have had a tremendous impact on past, present and future society.

A socialist period is a period of flourishing development for all ethnic groups. The basic relations between ethnic groups under socialism are relations of workers to workers; however, ethnic issues are still complex and the tasks of ethnic work are still arduous. First, although ethnic groups enjoy political equality, disparities in levels of economic and cultural development still exist, and poisonous remnants lingering from ethnic problems in the old society cannot be eradicated in a short period of time. Second, the basic interests of all ethnic groups are the same, but in some areas of concrete rights and interests, particularly in the area of economics, some conflicts and disputes between ethnic groups still arise. Third, in the areas of customs and languages, disagreements and disputes readily arise due to a lack of mutual understanding and respect. Fourth, in many areas ethnic problems are compounded by religious differences, and if religious differences are not settled carefully and appropriately, ethnic relations will be affected and there will even be ethnic clashes. Fifth, for various reasons, some people do things and sometimes even commit crimes that hurt the feelings of members of other ethnic groups and damage ethnic unity. One circumstance that should rouse us to special vigilance is the fact that some international hostile forces brazenly support a very small number of separatists in China, and they are presently intensifying their efforts to infiltrate, destroy and topple our country. Domestic and international hostile forces focus on ethnic issues as a lever for carrying out peaceful evolution toward

capitalism. In this complex and intricate situation, we should pay greater attention to ethnic issues and adopt correct principles and policies to find appropriate solutions to them.

The development of history shows that if a country is united and there is ethnic unity, then the government is effective, the people are harmonious and all undertakings flourish; and that if a country is split and there is ethnic strife, then the country's sovereignty and the people's lives are in jeopardy. Comrade Mao long ago pointed out, "The unification of our country, the unity of our people and the unity of our various nationalities — these are the basic guarantees for the sure triumph of our cause."[1] We must do our ethnic work still better, and consolidate and develop social stability and ethnic harmony to provide a powerful guarantee for our socialist modernization, reform and opening up.

The economic and social development of ethnic minorities and ethnic autonomous areas has a direct bearing on whether or not we can achieve the goal of modernizing China. The modernization of ethnic autonomous areas is intimately connected with that of the rest of the country, and they stimulate each other. The revitalization of ethnic minorities is likewise intimately connected with that of the whole Chinese nation, and the two also mutually stimulate each other. Promoting the development of all ethnic groups and their common prosperity is not only an economic matter, but also a political one. China's economic development is dependent on the eastern region, but it also requires that the central and western regions, including ethnic autonomous areas, thrive economically. The ethnic autonomous areas in the western region have abundant quantities of many natural resources and a number of industries of decisive importance to the country's economic development, and they have great potential for development. Accelerating development of the central and western regions and ethnic autonomous areas has already become a course our country's economic development must follow. The rational distribution of the productive forces and the balanced development of regional economies are of great significance to China's modernization and to ethnic unity and progress.

III. Important Tasks in Our Ethnic Work

The 1990s are a key period in China's socialist modernization as well as a key period for promoting the progress and prosperity of all ethnic

groups. Party committees and governments at all levels must keep close tabs on the situation of ethnic minorities and ethnic autonomous areas, unwaveringly and fully carry out the Party's basic line, consolidate and develop socialist ethnic relations, uphold and improve the system of regional ethnic autonomy, and work together to achieve the objectives for the second step of the strategic plan for modernization.

1. We must accelerate the economic development of ethnic minorities and ethnic autonomous areas and gradually raise it to the pace of development of the country as a whole.

At present, most of China's ethnic issues center around the urgent need to increase the pace of economic and cultural development of ethnic minorities and ethnic autonomous areas. Long ago, Comrade Deng said that if the economies of ethnic autonomous areas are not sound, then regional ethnic autonomy is meaningless. In this new historical period, to do our ethnic work well and strengthen ethnic unity, we need to focus our work on vigorously creating conditions for accelerating development of economic, cultural and other undertakings of ethnic minorities and ethnic autonomous areas, and promoting the prosperity of all ethnic groups. This is the fervent wish of ethnic minorities and the people living in ethnic autonomous areas, as well as a fundamental principle of our socialist ethnic policy. In recent years, the problem of coordinating regional economic and social development has become a matter of concern to an ever-growing number of people. The Central Committee and State Council are very concerned about this and have already adopted a series of measures to adjust our regional policies and in particular to address the problems of ethnic autonomous areas, old revolutionary base areas and impoverished areas, and to accord them special consideration. All departments and localities must conscientiously implement them and achieve significant results.

In the 1990s, ethnic autonomous areas must complete all the tasks laid out for them in the Ten-Year Program and the Eighth Five-Year Plan. The Party and state have already implemented a variety of preferential policies for ethnic minorities and ethnic autonomous areas and will continue to implement them and promptly improve them as circumstances change. As the economy develops and the country grows stronger, spending in ethnic autonomous areas will gradually increase to make them more capable of self-development. The State Council has already decided to increase fixed asset investment in economic entities owned by the entire people in the Eighth Five-Year Plan period above the actual level in Sixth and Seventh

Five-Year Plan periods. Development funds to assist backward areas will be increased significantly. Provinces and autonomous regions should also increase investment in localities where ethnic minorities are concentrated. In addition, relatively developed regions need to increase their assistance to their undeveloped sister regions, and they should put great effort into developing lateral relations at multiple levels through various channels and in various forms, including economic cooperation and intellectual assistance in the areas of education, science and technology and culture. This is a historical duty that relatively developed regions are obligated to discharge. Relevant departments and localities should review their experience and strengthen organization and leadership in this area on that basis.

For ethnic minorities and ethnic autonomous areas to develop quickly, they need the help of the state and relatively developed regions, but even more important, they need to become more self-reliant and resolute, fully avail themselves of the enthusiasm and initiative of the people of all ethnic groups in their areas, and concentrate on economic development. They need to focus on improving their infrastructure such as energy, transportation and communications. While overhauling their existing industries to make them more productive, they need to energetically exploit resources to meet domestic and foreign demand, optimize their mix of industries and products, and reorganize enterprises to create a virtuous cycle. They also need to quickly achieve results in their poverty alleviation work and help impoverished members of ethnic minority groups to escape poverty.

During the past several decades, the state and ethnic autonomous areas have undertaken energy, transportation and other infrastructure projects and launched a significant number of industrial and mining enterprises and economic undertakings in order to exploit the rich natural resources in ethnic autonomous areas and develop their economies. This has had a great impact on improving conditions in those areas and helping ethnic minorities develop. However, some large and medium-sized enterprises are not sufficiently coordinated with the development of the local economies and ethnic minorities. From now on, we need to help ethnic autonomous areas develop industrial and communications enterprises and production of agricultural and sideline products in a purposeful way to stimulate the areas' development and the people's prosperity. Enterprises in ethnic autonomous areas need to adopt effective measures to ensure their workforce has a sufficient percentage of ethnic minority cadres and employees and to train them and improve their skills. We must ensure that ethnic minorities

benefit economically from exploiting local resources while also protecting and improving the ecosystem.

2. We must energetically carry out social programs that benefit ethnic minorities and ethnic autonomous areas and promote their all-round progress.

Expanding social programs in education, science and technology, health and sports; effectively improving the ideological, moral, scientific and cultural levels and the physical fitness of ethnic minorities; and promoting socialist cultural and ethical progress are all necessary for developing the productive forces and are inherent requirements for achieving the prosperity of all ethnic groups.

We need to energetically develop education of ethnic minorities. Education of ethnic minorities is an integral component of the field of education and an important part of our ethnic work. We should gradually adapt the structure of education, the organization of academic disciplines, course content, the education system and the way schools are run to the realities of ethnic minorities and ethnic autonomous areas. We need to channel our efforts into improving the conditions of schools, run different types of schools for ethnic minorities at all levels well and improve the quality of education so that more people in ethnic autonomous areas are trained in economics, technology and management. In areas where ethnic languages are used, we need to carry out bilingual education suited to local conditions while making sure everyone learns Putonghua.

We need to energetically develop science and technology, recruit scientists and engineers, bring in advanced technology and equipment, upgrade traditional industries and products, and improve economic efficiency. We need to create a sound system for disseminating science and technology to farmers and herders, and step up efforts to spread practical science and technology among them by expanding training programs and pilot projects. We need to formulate preferential policies pertaining to working and living conditions to encourage scientific and technological personnel to build their careers in ethnic autonomous areas.

Consolidating and expanding the position of socialist ideology and culture is the fundamental task in developing cultural undertakings among ethnic minorities and in ethnic autonomous areas. We need to encourage the fine cultural traditions of all ethnic groups while at the same time strengthening cultural exchanges between ethnic groups and continuing to build and manage cultural facilities in ethnic autonomous areas,

especially townships and villages. Cultural workers need to constantly go to the primary level and serve the ethnic minority people there. We need to ensure that all ethnic groups are free to use and develop their oral and written languages. We need to further improve radio and television work and press and publishing work in minority languages, and constantly expand radio and television reception in remote border areas with large ethnic minority populations.

We need to vigorously develop medical and health care. We need to gradually improve the conditions of medical care, help in the training of medical and health care personnel, develop sound networks of medical care and disease prevention at all levels, cultivate and develop the folk medicine of ethnic minorities, and make significant improvements in areas where medical care and medicines are lacking. We need to vigorously expand ethnic sports activities to improve the people's physical fitness. Each locality needs to improve its family planning policy to make it more suitable to the conditions of ethnic minorities living there, effectively and thoroughly implement it, foster healthy birth and child development, and provide good health care to mothers and their babies.

3. We must persevere in reform and opening up and constantly strengthen the self-developmental capability of ethnic minorities and ethnic autonomous areas.

We must persevere in reform and opening up to achieve the prosperity of all ethnic groups. Reform and opening up in ethnic autonomous areas should always proceed based on the conditions there. We need to draw on experience from elsewhere, but we cannot copy others' practices wholesale. We need to differentiate circumstances, adapt leadership to different kinds of situations, adjust the pace of change to conditions and proceed with caution. From now on, all major reforms that directly affect ethnic minorities and ethnic autonomous areas must pay due regard to the unique characteristics of those ethnic autonomous areas and ethnic minorities, give consideration to the opinions of the local people, and begin with small trials before projects are widely implemented.

Ethnic autonomous areas need to strengthen economic ties with coastal regions, open up to the outside world more quickly, make full use of all beneficial conditions, find new partners to work with and develop new markets. We need to set the opening up of our land borders as an important component of our overall policy of opening up, and open them up in a planned, progressive way. We need to select a number of border towns

that have access to major international and domestic transportation routes and have the proper conditions and make them windows to the outside world, develop bilateral, multilateral and transit trade, and also vigorously develop export processing where conditions permit. Relevant government departments need to vigorously assist ethnic autonomous areas in attracting foreign capital, equipment and technology, and give them any necessary preferential treatment and assistance. At the same time as we open up wider and develop trade and economic and technological cooperation along our borders, we must also improve management to eliminate negative factors and promote both economic development and good-neighborly and friendly relations in order to maintain the security of our border areas.

4. We must uphold and improve the system of regional ethnic autonomy, and fully implement the Law on Regional Ethnic Autonomy.

We must establish a sound system of laws and regulations and a body of oversight mechanisms accompanying the Law on Ethnic Regional Autonomy so that this law plays a more effective role in building socialism with Chinese characteristics. In recent years, to facilitate the implementation of this law, the Party and the government have issued directives on important issues such as the development of pastoral areas, poverty-alleviation work, trade with ethnic minorities, and the production and supply of products that ethnic groups have special need of. Recently, the State Council also issued a notice on a number of matters concerning the implementation of the Law on Regional Ethnic Autonomy. Departments under the central leadership and governments at all levels need to enact regulations and measures for implementing this law. Policies, laws and regulations concerning ethnic minorities and ethnic autonomous areas need to embody the spirit of the Law on Regional Ethnic Autonomy and contribute to implementing it. We need to promptly enact generally applicable regulations concerning autonomous rules and regulations specific to particular autonomous areas. For those that have already been enacted, we need to review our experience and constantly improve them. The state, as well as provinces and municipalities directly under the central government without ethnic autonomous areas, need to enact laws and regulations protecting members of ethnic minorities living among the general population. We need to create a relatively complete socialist system of laws and regulations and a body of oversight mechanisms concerning ethnic groups by the end of the century.

The key to improving the system of regional ethnic autonomy and ful-

ly implementing the Law on Regional Ethnic Autonomy is to train a large number of cadres from ethnic minorities and strengthen the contingent of cadres in ethnic autonomous areas.

For more than 40 years, thousands upon thousands of cadres, workers, intellectuals, and PLA members of the Han ethnic group have answered the call of the Party to move to ethnic autonomous areas to work and live, where they have blended in with the local people and developed close ties with them. They dedicated their youth and their strength and made great contributions to the development of the ethnic minorities there and the prosperity of those areas, and the people of all ethnic groups there will never forget this. In the future, the state will continue to train outstanding Han personnel and transfer them to ethnic autonomous areas. People from the Han ethnic group and from ethnic minorities need to continue to carry on the fine traditions of respecting and learning from each other, work hard together with a common purpose, and make greater contributions to the prosperity and development of ethnic minorities and ethnic autonomous areas.

Ethnic minority cadres have extensive and intimate relations with other members of their ethnic group, and they are the key to doing the Party's ethnic work well. The situation of these cadres is an important yardstick for measuring the development level of their ethnic group. The number of ethnic minority cadres has increased from a little more than 10,000 in 1950 to 2.6 million today, and they constitute a large force working in many areas, including Party affairs, government, the economy, education, science and technology, culture and health. They are making important contributions to the unity and progress of all our ethnic groups and to the development of ethnic autonomous areas, and many of them are taking on ever-increasing responsibilities in their chosen fields. In order to meet the needs of socialist modernization, reform and opening up, Party committees at all levels should put more effort into training ethnic minority cadres, especially mid- and high-ranking ones, as well as scientists, engineers and management personnel in all fields of endeavor. Not only do we need to increase the number of these cadres in a planned way, but more important, we need to strive to improve their ability and optimize the composition of the group of ethnic minority cadres. It is necessary to appoint a group who can play a significant role in the present decade, but even more necessary to appoint a group of younger cadres who can assume leadership roles in the next century. Constituting such a group is an important undertaking

affecting the overall situation and should be carried out in a planned, step-by-step fashion and get significant results in order to ensure that leadership at all levels is always in the hands of people who are loyal to Marxism and that the cause of ethnic unity and progress always moves forward.

5. We must further strengthen the great unity among all ethnic groups and resolutely safeguard the unity of the motherland.

China has always been a unified, multiethnic country, and through its long course of historical development, it has undergone a lengthy process of tempering during which the Chinese nation with its strong internal cohesiveness came into being. There are essentially three bonds tracing back over many centuries that bind our country's ethnic groups into a large, united family: first, our country has a long history of unification; second, ethnic groups are bound in economic and cultural relations of mutual dependence; and third, they have forged unbreakable bonds with each other through many decades of resistance against foreign aggression and common revolutionary struggle throughout the history of modern China. After the founding of New China, we established socialist ethnic relations based on equality, unity and mutual assistance and included them in the Constitution and the Law on Regional Ethnic Autonomy. Not long ago, establishing and developing socialist ethnic relations based on equality, mutual assistance, unity, cooperation and common prosperity was made an important principle in building socialism with Chinese characteristics at the Seventh Plenary Session of the Thirteenth Central Committee and the Fourth Session of the Seventh NPC in accordance with the spirit of the Constitution, the development of events and the hopes of all ethnic groups. The above-mentioned provisions of the Constitution and the principles set forth at these sessions of the Central Committee and the NPC embody the same spirit that we need to uphold equality, mutual assistance, unity and cooperation to achieve the prosperity of all ethnic groups.

In order to strengthen the great unity among ethnic groups, we need to oppose both chauvinism of the Han majority as well as chauvinism of ethnic minorities. We need to handle the relations of the Han ethnic group with ethnic minorities throughout China well. In ethnic autonomous areas, we also need to handle the relations between the dominant ethnic group and other ethnic groups well. We must address these problems carefully, strictly distinguish between the two different types of conflicts and follow the principle of correctly handling conflicts among the people. When a problem arises, we should find out what it actually is, then deal just with

that. When disputes between ethnic groups arise, we need to calmly analyze the situation, patiently provide guidance and promptly resolve them. Anyone who does not listen to advice, deliberately causes trouble and breaks the law must be prosecuted in accordance with the law no matter what ethnic group he or she belongs to. When it comes to matters concerning relations between ethnic groups, cadres and Party members of all ethnic groups need to deal with the situation in strict conformity with the law and state policies and play an exemplary and leading role in improving ethnic relations. We need to continue to commend exemplary collectives and individuals throughout the country that promote ethnic unity and progress. In areas where many ethnic groups live together, especially ethnic autonomous areas along our borders, we also need to strengthen the unity the army has with local governments and ethnic minorities by getting governments and the public to support the army and give preferential treatment to families of service personnel and martyrs, urging the army to support local governments and respect local people, and supporting the army and local people in working together to promote both material progress and cultural and ethical progress. We need to commend exemplary collectives and individuals that make outstanding contributions in these areas.

In order to preserve the unity of the motherland, we must carry on a resolute struggle against the small number of ethnic separatists. In modern Chinese history, ethnic separatist activities have always been instigated by invasive foreign forces, and ethnic separatists have always been collaborators cooperating with the invasive foreign forces to sever border areas from the country. They were criminals to the nation and their own kind, who sold out both their motherland and their own ethnic group. We need to rely on the people of all ethnic groups to firmly oppose and expose the evil attempts of the secessionist forces advocating Taiwan independence to sever Taiwan from China. We must be vigilant against and oppose the international political forces that support Chinese separatists who flee overseas and use Pan-Islamism,[2] Pan-Turkism[3] or some other cause to fan the flames of separatism in certain parts of China. Here, I want to draw particular attention to the situation in Tibet. Tibet has been a part of China since ancient times. This is an incontrovertible historical fact. Since the peaceful liberation of Tibet, the people of all ethnic groups there, the majority of whom are Tibetans, have enjoyed the rights of political, economic and cultural equality, and the serfs have become masters of their own affairs. The state has not only given Tibet a considerable amount of economic support

but also adopted many preferential policies that helped the people of all ethnic groups in Tibet develop the economy, culture and education with great success. This is something all unbiased observers agree on. However, a handful of separatists who are blind to history and reality have never ceased in their efforts to split Tibet off from the motherland. They collaborate with international hostile forces, foment disturbances and even riots in China and undermine the stability and unity of Tibet under the cloak of religion and in the name of democracy, freedom, human rights and nationalism. Abroad they fabricate all kinds of baseless stories to hoodwink uninformed people and the international community, and they invented the so-called Tibet question, which they try to turn into an international issue. The 1.1 billion Chinese people of all ethnic groups, including our Tibetan compatriots, firmly oppose their betrayal of their ethnic group and their efforts to split the country. At the same time, I want to reiterate here that if the Dalai Lama[4] abandons his advocacy of Tibet independence and stops his efforts to split the country, we will welcome his return to the motherland. However, we will not allow him to promote independence, semi-independence or covert independence. The central government always keeps its doors open, and we are willing to discuss anything except Tibet independence with him.

IV. Further Strengthening the Party's Leadership over Ethnic Work

The CPC is the force at the core leading our country's socialist cause and the main force behind the unity of the Chinese nation. To adapt to the needs of the international situation and domestic development and continue to solve the country's ethnic problems, we must further strengthen the Party's leadership of ethnic work.

To this end, we must first of all completely and unwaveringly implement the Party's basic line, always seek truth from facts, proceed from reality in everything we do, and find good solutions to our country's ethnic problems. When formulating and implementing specific policies and measures, we must keep clearly in mind that our country has many ethnic groups that have different levels of development, and we have to pay close attention to the unique features of every ethnic group and ethnic autonomous area. To make decision making more scientific, we should improve investigations and studies, acquire a better understanding of the situation, study new issues, and promptly find correct solutions to major practical

and theoretical problems arising in real life to the best of our ability.

We need to put great effort into strengthening the education of cadres and the masses of all ethnic groups in the Marxist ethnic outlook and the Party's ethnic policies. The Party uses Marxism-Leninism and Mao Zedong Thought to view and address ethnic problems, and through decades of practice it has formulated a series of basic standpoints and policies, the most important of which are: The birth, development and withering away of an ethnic group is a long historical process, and ethnic problems will thus continue to exist for a long time. The stage of socialism is one in which all ethnic groups prosper together, and the factors ethnic groups have in common are constantly increasing; however, ethnic groups will continue to have unique traits, and differences between ethnic groups will continue to exist. Ethnic problems are just one aspect of overall social problems and can gradually be solved only in the course of solving social problems as a whole. At present, our country's ethnic problems can only be gradually solved through progress in our common socialist cause. All our ethnic groups contribute to the civilization of the motherland and deserve equal treatment no matter how large their population is, how long their history is or how developed they are. We should strengthen the great unity among the people of all ethnic groups and safeguard the unity of the motherland. The fundamental task for ethnic work in a socialist era is to develop the productive forces, and all ethnic groups need to help each other to achieve common progress and prosperity. Regional ethnic autonomy is a great contribution Chinese Communists have made to the Marxist theory of ethnic relations and it is the basic system for solving our country's ethnic problems. Sparing no effort to train a large number of talented and ethical cadres from ethnic minorities is crucial for doing our ethnic work well and solving our ethnic problems. In some areas, ethnic issues are intertwined with religious issues, and when dealing with ethnic issues we must make sure we completely and correctly carry out the Party's policies on religion. In the future, we will continue to strengthen and develop these basic standpoints and policies in accordance with new situations and experience.

Correctly handling ethnic issues and doing our ethnic work well are important matters affecting the overall situation. From the central leadership down to the local level, Party committees and governments at all levels must effectively supervise ethnic work, and improve the bodies doing ethnic work at all levels of government by appointing competent cadres to

them and gradually improving their working conditions. The main leaders of Party committees and governments at all levels must personally involve themselves in ethnic work and help solve actual problems.

We need to effectively improve the ideology, organization and work style of Party organizations with ethnic minority members and in ethnic autonomous areas. We need to intensively develop education in patriotism, collectivism and socialist ideology and get all Party members to more consciously implement the Party's basic line and ethnic policies. We need to increase and strengthen ethnic minority membership in the Party and Party membership in ethnic autonomous areas; make primary Party organizations more militant; and turn them into firm bastions that set an example in carrying out the Party's line, principles and policies and serve as a nucleus for uniting with the people of all ethnic groups. At present, a number of primary Party organizations are weak and lax, and we need to promptly help them to turn themselves around. We need to get our Party members to understand that all of them and especially cadres, no matter what ethnic group they belong to, need to firmly adhere to the Marxist worldview and to influence and guide members of their own and other ethnic groups by personal example to boldly progress along the path of socialism with Chinese characteristics.

No matter how volatile the international situation becomes, if the people of all ethnic groups throughout the country struggle together with a common purpose under the Party's leadership for the great cause of modernization, our socialist China will rise majestically in the East and the Chinese people will energetically and valiantly enter the ranks of the world's advanced peoples.

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[1] "On the Correct Handling of Contradictions Among the People," *Selected Works of Mao Tse-tung*, Eng. ed., FLP, Peking, 1977, Vol. V, p. 384.

[2] Pan-Islamism is a social movement that arose in a number of Islamic countries in the mid-19th century. At first, politically it advocated that all Islamic countries and ethnic groups unite and form a single Islamic state so they could resist foreign aggression together. Ideologically it advocated creating an Islamic lifestyle based on the Islamic religion and combating the influences of atheism and secularization. After the beginning of the 20th century, Pan-Islamism was taken up by the rulers, feudal lords and religious forces in a number of Islamic countries, that used it as a tool to smash revolutionary movements, fan ethnic conflicts and carry out aggression and expansion. After the end of World War II, it gradually lost its attraction as Islamic countries became independent and nationalism grew. In recent years a handful of ethnic separatists and religious extremists in China and abroad have tried to revive it in Xinjiang in an effort to undermine national unity.

[3] Pan-Turkism is an ideological movement that arose among Tartar intellectuals in czarist Russia in the late 19th and early 20th centuries. It advocated the unification of Turkic-speaking peoples living be-

tween the Bosporus Straits to the Altai Mountains and a renaissance of the Turkic nation. At the beginning of the 20th century, rulers of Ottoman Turkey took up this movement, turned it into a national chauvinist movement and tried to create a Turkic empire with Ottoman Turkey at the center. In recent years, a handful of ethnic separatists in Xinjiang in collusion with anti-Chinese elements abroad have tried to use this movement in an effort to undermine national unity.

[4] A reference to Dalai Lama Tenzin Gyatso (1935-), a native of Qijiachuan, Xining, Qinghai Province (now in Ping'an, Qinghai Province). He was selected to be the 14th Dalai Lama on February 5, 1940 with the approval of the KMT government. He was formerly a local religious and political leader in Tibet. After the peaceful liberation of Tibet in 1951, he served in capacities such as Vice Chairman of the NPC Standing Committee and Chairman of the Tibet Autonomous Region Preparatory Committee. An upper-class reactionary clique in Tibet launched an armed rebellion on March 10, 1959, and the Dalai Lama fled to India on March 17.

DO A GOOD JOB GUIDING, PRESERVING AND UNLEASHING THE ENTHUSIASM OF CADRES AND THE MASSES*

April 4, 1992

After Comrade Deng Xiaoping's important talks[1] were circulated, the entire nation from cadres to the masses responded very warmly and gave them their wholehearted support. The whole Party and all the people have a deeper and more unified understanding of reform and development. Everyone is full of zeal; they have become much more enthusiastic, and the situation is excellent.

The important thing now is to do a good job guiding, preserving and unleashing the high degree of zeal and enthusiasm cadres and the masses have. I agree with what some deputies to the NPC said during its last session: we must do solid work; inspire real, not sham, enthusiasm in the masses; and genuinely accomplish something significant.

I believe the key is to focus closely on increasing the pace of reform and opening up, spur the economy to more quickly and effectively reach a new level, and make a major systematic achievement. We need to make the most of opportune times and strive to achieve and maintain a relatively fast pace of development, but we must do this in a concrete manner by adjusting to the actual conditions of the various localities and departments and distinguishing different circumstances. We need to intensify transformation of the way SOEs operate, effectively separate government administration from enterprise management, make enterprises more market responsive, and shift them from an extensive to an intensive mode of operation and constantly improve their economic performance and ability to develop. We need to vigorously develop tertiary industry; expand production, service and employment channels; and create favorable conditions for streamlining administration. At the same time, we must improve the macro-control system and make macro-management more effective. In short, we need to put great effort into deepening reform and avoid pursuing development solely by expanding the scale of investment in order to prevent the reoc-

* Letter to members of the Standing Committee of the Political Bureau of the Central Committee and others.

currence of redundant construction and high inventories. At the same time as we quicken the pace of reform and opening up of the urban economy, we must conscientiously continue to implement the decision of the Eighth Plenary Session,[2] and strengthen agriculture and rural work.

In addition to the above considerations, you need to consider if there are other problems that need to be discussed. I would like Comrade Li Peng[3] to chair a special meeting of the State Council within the next few days and invite leaders of some relevant ministries and commissions to attend and have a thorough discussion. You need to reach a consensus, recapitulate everyone's contributions, and formulate a preliminary plan. I will have this plan discussed at meetings of the Standing Committee and the Political Bureau as soon as possible upon my return from Japan.

I hope the other Standing Committee members who are responsible for formulating preliminary plans for implementing the guiding principles of Comrade Deng's talks will continue to make rapid progress in their work. As soon as these plans are finished, they should be discussed individually.

In the process of completely implementing the guiding principles of Comrade Deng's important talks, we need to emancipate our minds, act boldly, progress steadily and work meticulously. That is, we need to do as Comrade Deng frequently says, be both bold and cautious, and seek truth from facts. We need to guard against formalism and doing things perfunctorily.

As reform and opening up deepen and develop, we may well encounter more numerous and complex conflicts and problems. Therefore, we must strengthen the Party's unified leadership and guide all the work of reform and opening up systematically and smoothly forward. For a number of sensitive issues that directly affect the vital interests of cadres and the masses, such as streamlining administration and solving the problem of surplus labor, we must plan carefully, carry out pilot projects first, let our deeds do our talking, and proceed cautiously. An ancient saying goes, "An army marches on its stomach." We must be fully prepared before we start. Raising people's hopes with unfilled promises has bad consequences.

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[1] Talks given between January 18 and February 21, 1992, in Wuhan, Shenzhen, Zhuhai and Shanghai, excerpts from which appear in the *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, pp. 358-70.

[2] A reference to the Decision of the CPC Central Committee on Further Strengthening Agriculture and Rural Work, adopted at the Eighth Plenary Session of the Thirteenth Central Committee on November 29, 1991.

[3] "Speech at the Fourth Plenary Session of the Thirteenth Central Committee of the Communist Party of China," note 2, p. 60, this volume.

CONCERNING CHINA'S ESTABLISHMENT OF A SOCIALIST MARKET ECONOMY*

June 9, 1992

The fundamental task in accelerating economic restructuring is to quickly create a new socialist economy. A key task in doing this is to correctly understand the problems of planned and market economies and the relationship between the two. That is, within the context of state macrocontrol, we need to give the market a greater role in allocating resources.

Historical experience shows that a fully developed commodity economy is a stage we cannot skip if we want to achieve a high level of social and economic development. A fully developed commodity economy is inseparable from fully developed, sound market mechanisms. The concerns of those who worry that if we let the market play a greater role we will be taking the capitalist road are groundless and incorrect. In late 1990 Comrade Deng Xiaoping clearly indicated, "We must understand theoretically that the difference between capitalism and socialism is not a market economy as opposed to a planned economy. Socialism has regulation by market forces, and capitalism has control through planning. Do you think capitalism has absolute freedom without any control? The most-favored-nation status is also a form of control. You must not think that if we have some market economy we shall be taking the capitalist road. That's simply not true. Both a planned economy and a market economy are necessary. If we did not have a market economy, we would have no access to information from other countries and would have to reconcile ourselves to lagging behind."[1] In his recent talks, Comrade Deng discussed this issue even more succinctly and deeply. He said, "The proportion of planning to market forces is not the essential difference between socialism and capitalism. A planned economy is not equivalent to socialism, because there is planning under capitalism too; a market economy is not capitalism, because there are markets under socialism too. Planning and market forces are both means of controlling economic activity."[2]

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* Excerpt from the speech "Deeply Understand and Comprehensively Implement the Guiding Principles of Comrade Deng Xiaoping's Talks and Carry Out Economic Development, Reform and Opening Up Better and More Quickly" delivered at a training course for provincial and ministerial level cadres at the Party School of the Central Committee.

Concerning the proposition that there is also planning under capitalism, Engels also started to become aware of this late in life. In his 1891 critique of the German Social Democratic Party's draft program, he pointed out that the appearance of capitalist trusts puts an end to planlessness in production. He said of the draft program, "'The planlessness rooted in the nature of capitalist private production' needs considerable improvement."[3] In April 1917, Lenin pointed out that World War I had stepped up the development of capitalism into imperialism and that monopoly, in general, had evolved into state monopoly.[4] Thus, capitalism "is now evolving directly into its higher, regulated form."[5] Lenin also said, "... to describe capitalism as something that 'is distinguished by its planlessness' and to overlook the role played by the trusts was unsatisfactory."[6] I am quoting here from Engels and Lenin because I want you to pay greater attention to studying how the capitalist economy changed in the course of its development so you can better distinguish the characteristics of capitalism which are part of its basic nature and those which are not.

In the 1930s, after the appearance of Keynesianism,[7] Western capitalist countries increased their intervention in economic activities, that is, they significantly increased macro-control over the economy. Keynes stressed managing the aggregate demand of all of society, particularly by using fiscal policy to regulate demand. This played an important role in delivering Western countries from the Great Depression of the 1930s. In addition, Keynesianism and post-Keynesianism[8] stressed using the progressive income tax, inheritance tax and gift tax to redistribute income. This shows that in Western capitalist economies, a certain amount of planning and regulation occurs at the macroeconomic level in addition to the increased level of planning within enterprises.

After World War II and especially since the 1960s, with the deepening of the inherent problems in capitalism and the rapid development of science and technology, a number of developed Western countries formulated and implemented various kinds of macroeconomic plans. For example, Japan adopted a series of nine economic development plans, and France adopted a series of ten such plans. All this goes to show that many capitalist countries exercise planning and control over economic activities. Therefore, we can no longer continue to use our old pattern of thinking that assumes that planning is a unique characteristic of socialism. Of course, there are differences in the scope and forms of planning used under socialism and capitalism. Similarly, the scope and forms of market

methods are likewise different in the two systems.

Concerning the proposition that there are also markets under socialism, it should be said that we have a deeper understanding of this fact after more than ten years of reform and opening up. Introducing market mechanisms into economic activities brings new vitality to our country's socialist economy and plays a significant role in accelerating economic development. In the past we only looked at the negative effects caused by the autonomy of markets and rarely considered their positive role in encouraging competition among enterprises and promoting economic development. We especially failed to see that markets are a means for allocating resources and that they play an important role in optimizing resource allocation. This is clearly a kind of biased understanding. A large number of facts show that markets are an effective way to allocate resources and provide incentives. They use competition and price levers to allocate scarce resources to wherever they will have the greatest benefit, and they not only put pressure on but also stimulate enterprises. Moreover, markets respond to all kinds of signals swiftly and sensitively. Because of these strengths, more and more people in socialist countries are coming to recognize the positive role that markets play in economic development. We are in the process of discarding our former bias against markets. Of course, in stressing that we should fully acknowledge the strengths of markets, we are not saying that markets are perfect and can do everything. Markets have their own obvious shortcomings and limitations. For example, they cannot automatically keep the macroeconomic aggregate stable and in equilibrium; it is difficult for them to regulate a considerable portion of public facilities and consumption; regulation by market forces cannot achieve desired social goals in circumstances where social interests outweigh economic benefits; and it cannot achieve ideal results in monopolistic industries or industries operating on a particularly large scale. Therefore, this requires us to make use of the strengths of regulation by planning to remedy and restrain these insufficiencies and negative effects of regulation by market forces, keep the macroeconomy in equilibrium and ensure that the whole economy develops comprehensively. In areas where regulation by market forces is ineffective, we must use planning measures to allocate resources. At the same time, we must use planning measures to strengthen social security and adjust the redistribution of income in order to forestall polarization.

Our understanding of planned and market economies and their relationship has undergone a process of development since the Third Plenary

Session of the Eleventh Central Committee. At the Party's Twelfth National Congress, we talked about the planned economy playing the leading role, supplemented by regulation by market forces. The Decision on Economic Restructuring, passed at the Third Plenary Session of the Twelfth Central Committee, set forth a new conception of the socialist economy as a planned commodity economy based on public ownership. At the Thirteenth Congress we stated that the socialist planned commodity economy should be a system that integrates planning with the market. Since the Fourth Plenary Session of the Thirteenth Central Committee, the Party has advocated creating an economic system and operating mechanisms that are conducive to the development of the planned commodity economy and combine the planned economy with regulation by market forces. What I am talking about here is formulations in the Party's official documents. The discussions of academicians and theoreticians contain still more varied suggestions and formulations. Some new formulations concerning the understanding of the problem of planning and the market and the problem of establishing a new economic system were put forward recently after studying Comrade Deng's important talks. In general these fall into three categories: to create a socialist commodity economy that combines planning with the market; to establish a socialist planned market economy; and to create a socialist market economy. It is normal for our understanding to develop and change and for different suggestions and viewpoints to be expressed. This shows that an understanding of objective reality cannot be achieved all at once and, particularly with respect to major issues — we need to repeatedly interpret and discuss these issues and finally reach a relatively scientific understanding of them by constantly reviewing and improving our understanding of them through practice. At present, I can say that after more than ten years of groping around and reviewing domestic and foreign experience, we already have a relatively mature theoretical and practical understanding of how to create a new socialist economy, the whole Party is further unified on this issue, and we are quite ready to move on to the phase of rapid implementation.

We can continue to study which of the above formulations is the best for the Chinese economy, most acceptable to the majority of our comrades and conducive to our country's economic development. It is not necessary to make an immediate decision. However, I think that in the political report of the Party's Fourteenth National Congress we will make a final decision on a relatively scientific formulation of an economic system that most of

our members can accept, one that is conducive to uniting all Party members' understanding and action and to quickly establishing a new socialist economy in our country. My personal view rather inclines toward adopting the term "socialist market economy." A planned commodity economy is the same as a planned market economy. From the very beginning, socialist economies have been planned; everyone knows this perfectly well, and they will not be confused about whether planning has been eliminated just because the term planned is not used in the formulation. Moreover, I already mentioned that capitalist economies are not without planning. Therefore, I think that the majority of cadres and the masses can accept the term "socialist market economy." Although this is my personal view, the members of the Central Committee I have discussed this with all basically favor it. Of course, this is not the final word on the matter. Whatever formulation is chosen for use in the political report of the Fourteenth Congress will have to reflect the main characteristics of our country's new socialist economy. I feel that the important characteristics are: First, concerning the ownership structure, it keeps the public sector in the dominant position, supplements it with a private sector that includes individually owned enterprises and other sectors, and allows diverse economic sectors to develop side by side. Second, concerning distribution, it retains distribution according to work in the dominant position, supplements it with other modes, permits and encourages some localities and individuals to prosper first, gradually achieves prosperity for all and prevents polarization. Third, concerning economic operating mechanisms, it achieves the long-term, organic integration of the planned economy and market economy; makes full use of the advantages of both; promotes the optimization of resource allocation; and makes reasonable adjustments to social distribution.

To accelerate the establishment of the new economy, we must solve several key problems as soon as possible.

First, we must transform government functions and effectively separate them from enterprise management. The government's main supervisory functions for economic activities are to conduct overall planning, direct policy, do organizing and coordinating work, provide services and exercise oversight, as well as to employ all economic, legal and requisite administrative means to ensure that total supply and demand stay in equilibrium and that both the mix of major industries and the overall sectoral composition of the economy are in harmony. Government departments may no longer intervene in enterprises' detailed affairs relating to production, business

and management. They must loosen microeconomic control to invigorate the economy while exercising necessary macro-control. These two are mutually complementary, and we cannot implement just one.

Second, we must promptly transform the way enterprises operate, especially large and medium-sized SOEs, actually promote enterprises' entry into the market, let them become competitors in the market and turn them into legal persons. We also need to really let them run their businesses on their own, and get them to take full responsibility for their profits and losses, exercise self-restraint and assume their own risks, so as to unify liabilities, rights and benefits. The process of transforming the way large and medium-sized SOEs operate is in fact the process of further exploring and choosing the forms the public sector of the economy will take. These forms should be many and varied, and all of them should be sound and effective. This requires us to continue to experiment boldly in our practical work and to implement and disseminate whatever successes we achieve. Among such forms, direct state operations (some major enterprises that directly affect the nation's economy and the people's livelihood must remain state monopolies), contract operations, share-issuing corporate operations, and leased operations can all be chosen as the mode of operation in different areas based on enterprises' differing circumstances. All these forms can be improved through a constant review of experience. No matter what mode of operation is chosen, the purpose is always to rejuvenate SOEs, run them well, and make them more competitive and better able to sustain development.

Third, to satisfy the demands of the commodity economy and the law of value, we must effectively revise our conception of planning and transform the functions and forms of planned management in order to make planning genuinely reflect changes in market supply and demand. We also need to make more use of economic policy and levers to guide and control the market to ensure its sound development.

Fourth, we must put great effort into nurturing and developing the market and creating a unified, sound socialist market. This requires that all the departments and agencies engaged in this work cooperate with each other. On the one hand, we need to strive to develop a sound market system, actively cultivate the financial market, including the market for securities such as stocks and bonds, and develop the markets for technology, labor, information and real estate at the same time as we continue developing the commodity market, particularly the market for means of production.

On the other hand, we need to improve and strictly enforce the market management system in order to form and maintain an orderly market.

Fifth, we must strengthen economic laws and regulations as well as other infrastructure necessary for economic activity. We need to improve not only infrastructure hardware such as communications, computer networks, banks and transportation, but also infrastructure software such as standard accounting, auditing, statistics and taxation in order to ensure that the economic activities of society are orderly.

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[1] "Seize the Opportunity to Develop the Economy," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 351.

[2] "Excerpts from Talks Given in Wuchang, Shenzhen, Zhuhai and Shanghai," *ibid.,* p. 361.

[3] Frederick Engels, "A Critique of the Draft Social-Democratic Programme of 1891" in Karl Marx and Frederick Engels, *Collected Works,* Eng. ed., Progress Publishers, Moscow, 1990, Vol. 27, pp. 223-24.

[4] Cf. V. I. Lenin, "Report on the Current Situation April 24 (May 7)," *Collected Works,* Eng. ed., Progress Publishers, Moscow, 1964, Vol. 24, p. 240.

[5] "Speech in Favour of the Resolution on the Current Situation April 29 (May 12)," *ibid.,* p. 306.

[6] *Ibid.*

[7] Keynesianism is an economic theory and policy stance introduced by John Maynard Keynes (1883-1946), a British economist. After the economic crisis that gripped the capitalist world from 1929 to 1933, Keynes proposed that the cause of unemployment and economic crises is that there is insufficient effective demand, and that economic crises can be eliminated and the problem of unemployment can be solved only if governments adopt appropriate policies to adjust the economy and increase effective demand. He maintained that governments must actively intervene in economic activities to increase investment and stimulate consumption. He published *The General Theory of Employment, Interest and Money* in 1936, which marked the founding of Keynesianism. Keynes's economic theory and policy stance had a great impact on the economic policies of Britain, the United States and other countries; on modern reformist theory; and on modern vulgar political economy.

[8] Post-Keynesianism is modern Keynesianism. After Keynes's death in 1946, his followers adhered to his basic philosophy while supplementing and adjusting his economic theory and policy stance in numerous ways. Because of differences in their theoretical viewpoints, analytical methods and policy stances, they split into several different schools of thought, the most important of which were the new Cambridge school led by the British economist Joan Robinson and the neoclassical synthesis school led by American economist Paul Samuelson. The former is also called leftist Keynesianism, and the latter is also known as post-Keynesian mainstream economics.

ACCELERATE ECONOMIC DEVELOPMENT OF THE YANGTZE RIVER DELTA AND VALLEY*

June 27, 1992

In his important talks during his inspection tour of the south, Comrade Deng Xiaoping pointed out that in relatively developed areas, growth should be faster than the national average. For example, Shanghai enjoys obvious advantages in terms of skilled people, technology and management, so it has all the necessary conditions to make faster progress. This forum is a practical step toward implementing the guiding principles of Comrade Deng's talks and of the plenary session of the Political Bureau of the Central Committee. We need to fully recognize the strategic significance of developing and opening up the Yangtze River Delta and Valley. This region is one of the country's economically, technologically and culturally developed regions and spans seven provinces and one municipality.[1] It has a number of favorable factors such as good infrastructure, abundant hydroelectric resources, a relatively well-developed agricultural economy, a wide range of industries, and many large first-rate enterprises in the steelmaking, auto, electronics, petrochemical and machinery industries. In addition, it has a large urban population, a high concentration of skilled people and good technological capability, all of which give it an important position in the whole country's economic and social development. This region has development potential second only to the coastal development zones, and it will possibly become an advanced region with the fastest economic development in the country. It may be said that, to a great extent, the pace of development and opening up in this Yangtze River Delta and Valley will determine our progress in achieving the objectives for the second step of the country's strategic plan for economic and social development and in carrying out socialist modernization in general. At present, economic development in the Asia-Pacific region is robust, and there is fierce competition in the international market. This presents us with both opportunities and challenges. This will help us expand our foreign trade, although of course this means we will have to face more competitors. In this kind

* Speech at a forum held by the State Council on the plan for economic development in the Yangtze River Delta and Valley.

of international situation, we do not want our economic development to lag behind that of other Asia-Pacific countries, but rather want to develop faster than they do, so we urgently need to increase the pace of reform and opening up and develop the Yangtze River Delta and Valley, with Pudong in the lead. Everyone should understand that the decision of the Central Committee and the State Council to develop and open up Pudong and use it to stimulate the opening up and economic development of the whole region, while at the same time continuing to do a good job opening up and developing the Pearl River Delta, is an important strategic decision to optimize the geographical distribution of our country's economic development and open wider to the outside world. All departments under the central leadership, the seven provinces and Shanghai need to work together as one to ensure that this strategic decision is brought to fruition.

The basic driving force for accelerating economic development in the Yangtze River Delta and Valley is reform and opening up. This is the successful experience of the abrupt rise of the Pearl River Delta in the 1980s. You people in the seven provinces and Shanghai should steadfastly take Comrade Deng's theory of building socialism with Chinese characteristics as your guide, thoroughly study and understand the guiding principles of his important talks, adhere to the basic principle of reform and opening up, and study and learn from the experience of developing and opening up the Pearl River Delta, especially Shenzhen and the other SEZs. You need to continue to emancipate your minds, seek truth from facts, and boldly experiment. The central leadership will give you the power you need. All departments under the central leadership need to effectively transform their functions, raise their productivity, and diligently serve local authorities and primary-level bodies. Recently, the State Planning Commission has been drawing up specific regulations for expanding the decision-making power of local authorities and enterprises over capital construction and simplifying approval procedures. The seven provinces and Shanghai need to use the powers and policies the central leadership gives them properly, proceed based on their actual conditions, do their work creatively, intensify reform and opening up, and accelerate the transformation from the old system to a new one. As for internationally accepted practices, whatever is beneficial for our economic development, we may boldly use them in light of our situation. The key to transforming the way enterprises operate is to ensure they have the power to make their own decisions, which means that not only will departments under the central leadership have to give up their

power over them, but so will provincial, municipal and county authorities. Whatever powers the state confers on enterprises must actually get to them; we cannot allow these powers to be shifted from central to local departments. We need to vigorously yet steadily carry out all related reforms in order to create favorable external conditions for transforming the way enterprises operate. We should also promptly deepen the reform of the system for managing science and technology. Through reform, we can fully arouse the enthusiasm of large numbers of intellectuals, more quickly nurture talented people, and speed up the processes of commercializing advances in science and technology and translating them into actual productive forces.

It is impossible to economically develop the whole of the Yangtze River Delta and Valley all at once; we must focus on key areas, take all factors into consideration, promote cooperation within the region, and make the most of the region's overall strengths. Regarding development of the entire region, we need to keep Pudong and the Three Gorges Project as our twin focal points, while making the most of the advantages and unique characteristics of all the provinces bordering the river. The preliminary work on the Three Gorges Project must be done quickly and well. At present, we need to strive to open and develop Pudong and invigorate this leading area as quickly as possible to take full advantage of its role in driving development in the Yangtze River Valley provinces. From the standpoint of adjusting the mix of industries, Shanghai and other cities along the Yangtze need to promote the development of tertiary industry, adjust and upgrade secondary industry, and steadily promote primary industry. Construction funds should be focused on infrastructure such as transportation, energy and communications, and on new- and high-technology industries. We need to energetically improve the investment environment, develop and strengthen leading industries and pillar industries, and alleviate shortages in transportation and energy. We need to follow a policy of giving equal weight to both exploitation and intensification and follow the route of intensive operations. We need to ground our activities on the present foundation; accelerate the technological upgrading of processing industries; ensure sufficient manpower, materials and funding for major capital construction and technological upgrading projects; and painstakingly organize and do the construction work on them so that facilities are quickly built, placed into production and start producing benefits. However, we must not try to do everything at once. The development of the Yangtze River Delta and

Valley requires comprehensive planning and coordinated execution. At this meeting, representatives of the seven provinces and Shanghai offered some constructive suggestions and showed a willingness to cooperate. In their speeches, representatives of Shanghai proposed creating Chinese brands and world brands and working for development through cooperation. With regard to the development of Pudong, representatives of Jiangsu expressed in their speeches an attitude of firm support, willingness to be of service, eagerness to accept the radiative effect emanating from Shanghai, and commitment to common development. In their speeches, the representatives from Zhejiang spoke of actively strengthening unity and cooperation with other provinces in the region and Shanghai, based on the principles of voluntary coordination, overall cooperation, complementary advantages, and common development. Representatives of other provinces all expressed similar sentiments. In my mind, this is an important accomplishment of this forum. With this kind of good ideological foundation, I am sure that if we all strive together, the development of Pudong, construction on key projects and the establishment of trans-regional enterprise groups, as well as all other work involved in developing and opening the region, can certainly progress smoothly and achieve outstanding results.

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[1]These are Jiangsu, Zhejiang, Anhui, Jiangxi, Hubei, Hunan and Sichuan provinces, plus the municipality of Shanghai.

ACCELERATE REFORM, OPENING UP AND MODERNIZATION AND ACHIEVE GREATER SUCCESS IN BUILDING SOCIALISM WITH CHINESE CHARACTERISTICS*

October 12, 1992

Comrades,

The Fourteenth National Congress of the CPC is being convened in a new situation in which our country is accelerating its reform, opening up and modernization. Now I would like to present a report to the congress on behalf of the Thirteenth Central Committee.

This congress has a historic mission to fulfill. All Party members and the people of all ethnic groups throughout China hold high hopes for it, and our friends in other countries who care about China are also paying close attention to these proceedings. We are convinced that if all delegates work hard together, this will be a unified and successful congress.

Since the Third Plenary Session of the Eleventh Central Committee, the Party and the people — guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics — have been working hard and carrying out reform resolutely. The whole country glows with a new lease on life, and grand and historic changes have taken place across the land. The productive forces have been further liberated. Political stability and unity have been steadily strengthened. The problem of China's 1.1 billion people's need for basic necessities has now been basically solved, and the country is now progressing toward a moderately prosperous standard of living. Our country's economy, the people's standard of living and the overall strength of the country have all been raised to a new level. China's socialist system has withstood severe tests and shown great vitality in the face of drastic changes in the world situation.

The important talks Comrade Deng gave on his inspection tour of the south early this year have been a great encouragement to members of the Party and to the people of all our ethnic groups. Cadres and the masses have further emancipated their minds and are full of enthusiasm. The lead-

* Report at the Fourteenth National Congress of the CPC.

ers and people are united, and the country is seething with activity. All this holds out the promise of a wonderful future in which the Chinese nation attains its lofty ideals.

The Thirteenth Central Committee has conducted an overall analysis of the current situation. It has unanimously agreed that domestic conditions are ripe for faster development, that the international environment is favorable, and that while the present moment poses challenges, it also presents even more opportunities for us to accelerate our advance. The tasks of this congress are to review the practical experience of the 14 years since the Third Plenary Session of the Eleventh Central Committee and to formulate a strategic plan for the next period under the guidance of Comrade Deng's theory of building socialism with Chinese characteristics. It is also the task of this congress to mobilize all members of the Party and the people of all our ethnic groups to achieve still greater success in building socialism with Chinese characteristics by further emancipating their minds and seizing this opportune moment to quicken the pace of reform, opening up and modernization.

I. General Summary of the Great Practice of the Last 14 Years

In our undertakings over the last 14 years, we have adhered to the basic line of the Party in building socialism with Chinese characteristics through reform and opening up and through the liberation and development of the productive forces. In view of the deep and widespread social changes that have taken place, we can truly say that we have begun a new revolution. Its objectives are to fundamentally change the economic system that has hampered the development of our country's productive forces and to establish a new and vigorous socialist economic system. At the same time, we will carry out corresponding reform of political and other systems in order to achieve the socialist modernization of China.

In the history of our Party, the first generation of central leadership, with Comrade Mao Zedong at the core, led the whole Party and the people of all our ethnic groups, first in the long, triumphant struggle of the new-democratic revolution, and then in the effort to establish the basic system of socialism and to liberate and develop the productive forces. The semi-colonial and semi-feudal China of the past, which for over a hundred years had suffered from foreign invasion, bullying and insult, has been transformed into a new and independent socialist China in which the people are the masters. This revolution, the greatest in China's history, ushered in a

new era in the annals of our country.

The second generation of the central leadership, with Comrade Deng at the core, led the Party and the people in another great revolution, the goal of which is to further liberate and develop the productive forces through a protracted struggle, in order to turn our underdeveloped socialist country into a prosperous, strong, democratic, culturally advanced and modern socialist country, and thus fully demonstrate the superiority of socialism in China. This new revolution is based on our earlier revolutionary victory and on our great achievements in socialist construction, and it is being carried out step by step and in good order under the leadership of the Party. This revolution is not intended to change the nature of our socialist system, but rather to improve and develop it. It is no minor patching-up of the old economic system, but a fundamental restructuring of the economy. The old economic system has its historical origins and has played an important and positive role. However, as conditions have changed, it has become less and less suitable to the requirements of modernization. The most profound change brought about by the reform in the last 14 years is that many ideological and structural shackles have been shaken off. This has released the initiative of the masses so that China, with its 1.1 billion population, is now creating a socialism full of vitality.

At the present congress, it is essential to review the great practice of the people under the leadership of the Party over the past 14 years, and to draw sober conclusions about the basic theory and line and the strategic policy decisions adopted by the Party in the course of that practice. This is, and will continue to be, of vital importance if we wish to unify the thinking of all Party members, unwaveringly uphold the Party's basic theory and line, and continue to advance the great cause of socialism with Chinese characteristics.

We all remember how smashing the Gang of Four saved the Party and the country from disaster, yet the political, ideological, organizational and economic chaos left over from the Cultural Revolution remained very severe. At that time it was by no means easy for us to extricate ourselves from that predicament, and usher in a new phase. The Third Plenary Session of the Eleventh Central Committee, held in 1978, and the central leadership with Comrade Deng at the core that was formed at that session took up this arduous mission, accomplished grand and historic changes, and launched a new era in the development of our socialist cause.

Around the time of that session, our Party encouraged and guided a

major debate on the proposition that practice is the sole criterion for judging truth. This debate shattered the fetters imposed by the personality cult and the doctrine of the "two whatevers"[1] and reaffirmed the ideological line of emancipating the mind and seeking truth from facts. This brought order out of the chaos of our ideological line.

At the Third Plenary Session of the Eleventh Central Committee, our Party firmly discarded the erroneous "Left" position of taking class struggle as the key link, which is inappropriate in a socialist society, and shifted the focus of the work of the Party and the state to economic development. This brought order out of the chaos of our political line. At the same time, the Party made a major policy decision to implement reform and opening up. To counter the erroneous ideological trends that had manifested themselves in the preceding period, it stated unequivocally that we must keep to the socialist road and uphold the people's democratic dictatorship, leadership of the CPC, and Marxism-Leninism and Mao Zedong Thought. The idea of "one central task, two basic points" began to take shape as the foundation for the Party's basic line in the new period.

The Party emphasized that the only way to ensure the implementation of the correct ideological and political lines was to have a correct organizational line. To rise to the new demands imposed by this historic shift, the Party strengthened its organization, gradually adjusted and strengthened its leadership echelons, adopted the principle of making the ranks of cadres more revolutionary, younger, better educated and more professionally competent, eliminated de facto life tenure for leading cadres, encouraged cooperation between young and old cadres, and gradually replaced old with young.

Our Party also resolved certain major historical issues involving right and wrong. A series of measures were taken to redress injustices and wrongly decided cases, and various policies were carried out to strengthen Party unity and mobilize all positive elements. At its Sixth Plenary Session, the Eleventh Central Committee adopted a resolution clarifying certain questions in the history of the Party since the founding of the People's Republic. In that resolution, it fundamentally condemned the Cultural Revolution and rejected the doctrine of continued revolution under the dictatorship of the proletariat. At the same time, it strongly condemned the erroneous ideological tendency to completely negate Comrade Mao's contributions and Mao Zedong Thought, defended Comrade Mao's place in Chinese history, and reaffirmed the value of Mao Zedong Thought as

a guide to action. As the domestic situation develops and the international situation changes, the courage and farsightedness of the Party in adopting this momentous resolution are becoming more and more evident.

Having rectified the erroneous ideological and political lines, the Party convened its Twelfth National Congress in 1982. That congress advanced the ideas of integrating the universal truth of Marxism with the concrete realities of China, going our own way and building socialism with Chinese characteristics, and set the target of quadrupling the 1980 GNP by the end of the century in two steps. Later, the Party proposed that, in a third step, socialist modernization should be basically accomplished by the middle of the next century. In setting these great goals, the Party is leading the people of all our ethnic groups forward into the 21st century.

The most salient feature of the new period is reform and opening up, which were initiated at the Third Plenary Session of the Eleventh Central Committee and have been carried out in every area ever since the Twelfth Congress. Reform and opening up represent a magnificent historical progression that has spread from the countryside to cities, reformed the economic and all other systems, revitalized the domestic economy and opened China to the outside world.

The strategic decision to initiate reform in rural areas was in conformity with China's conditions. Household contracts with remuneration linked to output were a great innovation of Chinese farmers. The Central Committee, with due respect for the aspirations of the masses, actively supported the experiment, and it spread throughout the country within a few years. Major structural problems in the socialist rural economy were solved by abolishing the people's communes without privatizing land ownership and by introducing the responsibility system, the main form of which is household contracts that link remuneration to output, and the two-tiered operational system that integrates unified with independent management. In this way, the country's 800 million rural residents gained the power to make their own operational decisions. In addition, we almost entirely eliminated the unified purchasing of farm products by the state according to fixed quotas and lifted price controls over most of them; this aided agricultural production in breaking free from its long-term stagnation. The rural economy rapidly became oriented toward specialization, commercialization and socialization. Multitudes of people in both rural and urban areas have reaped tangible benefits from this, and it has given impetus to all our undertakings in reform and economic development. Township and

village enterprises, another great innovation of Chinese farmers, also are a new phenomenon suddenly emerging into prominence. They have created a new outlet for surplus farm labor, a new way for rural areas to prosper and gradually modernize, and a new means of promoting the reform and development of industry and the economy as a whole.

In response to the new circumstances under which reform was introduced first in the countryside, then in the cities, a resolution on economic restructuring was adopted at the Third Plenary Session of the Twelfth Central Committee. This resolution declared that our socialist economy is a planned commodity economy based on public ownership and rejected the traditional thinking that a planned economy was in direct opposition to a commodity economy. This constituted a new development in Marxist theory of political economy and provided new theoretical guidance for overall economic restructuring. Later, the Party decided to reform the systems for managing science and technology and education, and it laid out objectives and tasks for political restructuring.

The establishment of the four SEZs in Shenzhen, Zhuhai, Shantou and Xiamen was an important step in opening up and a new experiment in utilizing foreign funds, technology and managerial expertise to develop the socialist economy. Great achievements have already been realized in these zones, which practice demonstrates are socialist, not capitalist, in nature. After the establishment of these zones, more than a dozen coastal cities were opened, as were economic zones in the Yangtze River Delta, the Pearl River Delta, southeastern Fujian, and the Bohai Rim region. Also, Hainan was approved to become a province and establish an SEZ. The number of areas that have been opened to the rest of the world has continually increased. The coastal regions, with 200 million inhabitants, have rapidly developed, greatly stimulating reform, opening up and economic development in the country as a whole.

If reform and economic development are to proceed smoothly, they must have powerful ideological and political guarantees. The Party has set forth the strategic principle of grasping two links at the same time. This means that we need to carry out reform and opening up and at the same time fight crime, that we need to develop the economy and at the same time strengthen democracy and the legal system, and that we need to achieve material progress and at the same time promote cultural and ethical progress. In particular, a resolution was adopted at the Sixth Plenary Session of the Twelfth Central Committee declaring that our effort to

promote cultural and ethical progress must contribute to socialist modernization, promote all-round reform and opening up, and adhere to the Four Cardinal Principles. The Party also stressed that we must explain to the people the need for continuing struggle against bourgeois liberalization throughout the process of socialist modernization.

The Thirteenth National Congress of the Party was held in 1987. Its historic achievements were to expound in a systematic way the theory of the primary stage of socialism in China and to elaborate the Party's basic line, describing it concisely as "one central task, two basic points." That congress laid immense emphasis on the fact that, following the Third Plenary Session of the Eleventh Central Committee, a way was found to build socialism with Chinese characteristics, and declared that this was the second historic leap forward in integrating Marxism with Chinese practice, the first having been the new-democratic revolution.

In the five years since the Thirteenth Congress, we have continued our march along the path of socialism with Chinese characteristics. Under complicated and difficult conditions, both at home and abroad, the Party has united with and led the people of all our ethnic groups in an endeavor to surmount all manner of difficulties and achieve social and political stability and economic development.

From 1984 through 1988, the Chinese economy enjoyed a period of accelerated expansion and quantum leaps. It was a vibrant period in which agriculture and industry, villages and cities, and reform and development promoted each other, and the economy as a whole soared to new heights. However, progress brought new problems: in particular, prices fluctuated too much, and many construction projects were redundant. The Party therefore decided to devote time to improving the economic environment and rectifying the economic order to facilitate reform and development.

In late spring and early summer of 1989, political disturbances broke out, and the Party and the government, relying on the people, took a clear-cut stand against unrest. They quelled the counterrevolutionary rebellion in Beijing; defended the power of the socialist state and the fundamental interests of the people; and ensured the continued progress of reform, opening up and modernization. At the same time, the Central Committee explicitly declared that the Party's basic line and the policy decisions made by the Thirteenth Congress were correct and that we must not waver in our adherence to them because of the political disturbances.

A new central leadership was elected at the Fourth Plenary Session of

the Thirteenth Central Committee. That leadership adhered to the Party's basic line in all its work. It continued to make economic development the central task, while trying to rectify the overemphasis on material progress at the expense of cultural and ethical progress by strengthening ideological and political work and Party building. In the face of drastic changes in the international situation, the Party observed calmly, responded coolly, and concentrated its attention on domestic affairs while keeping an eye on developments abroad. It adopted resolutions on a number of matters: strengthening clean government, further improving the economic environment, rectifying the economic order and deepening reform, cementing the ties between the Party and the masses, developing and opening Shanghai's Pudong area, devising the proposal for the Ten-Year Program and the Eighth Five-Year Plan for National Economic and Social Development, improving large and medium-sized SOEs, and strengthening agriculture and rural work. All these major policy decisions made by the Party during a critical period of history were absolutely correct.

Early this year, during an inspection tour of the south, Comrade Deng gave several important talks. He made a penetrating analysis of the current international and domestic situations. He also gave a scientific summation of the basic practice and experience of the Party since the Third Plenary Session of the Eleventh Central Committee, which cleared up many important misconceptions that had perplexed us and shackled our thinking over the past few years. He emphasized that we must unswervingly follow the basic line for a long time to come. He urged us to further emancipate our minds, be more daring in reform and opening up, quicken the pace of economic development and absolutely not lose any favorable opportunity.

In March of this year, the Political Bureau of the Central Committee convened a plenary meeting at which these talks by Comrade Deng were fully endorsed. The Political Bureau agreed that they would not only provide important guidance for our current work in reform and economic development and the work of the present congress, but also have far-reaching significance for the entire socialist modernization drive. Since that meeting, the Central Committee and the State Council have made a series of decisions on ways to accelerate reform, opening up and economic development. The talks by Comrade Deng and the plenary meeting of the Political Bureau mark a new stage in China's reform, opening up and modernization.

Looking back on the road we have traveled in the past 14 years, we

can see that there have been failings and errors in our work. There are still many difficulties to be overcome and many problems to be solved, and the people still have many objections to and are dissatisfied with certain aspects of our work. But in general the whole Party and the entire country agree that in these 14 years we have genuinely concentrated on socialist modernization, raised the people's standard of living more rapidly than in any other comparable period, ushered in a new period of history, and made achievements that have attracted world attention. This has won the Party the support of the masses.

The fundamental reason our Party was able to accomplish so much in 14 years is that it has always integrated the basic tenets of Marxism with the concrete realities of China and has gradually formulated and developed the theory of building socialism with Chinese characteristics. During the century and a half since the publication of *The Communist Manifesto,* the victories of the Russian October Revolution, the Chinese revolution and revolutions in other countries have shown that, under the leadership of the proletariat, the people can indeed successfully seize political power. Tremendous achievements have been made, and much has been learned about how to build socialism. Nevertheless, the issue of building socialism still needs further exploration. Indeed, in view of the drastic changes that have taken place internationally in recent years, it calls for profound study.

The CPC has always held that China must carry out its revolution and development independently and that the success of socialism in China depends essentially on ourselves, on the Party's theory and line, and on the united efforts of the Party and the people. The new developments in China and the achievements of socialism over the last 14 years have led us to compare our present with our past and our country with other countries. These comparisons have convinced us that our Party's theory of building socialism with Chinese characteristics is correct and that it corresponds to the interests and needs of the overwhelming majority of the people. In formulating this theory, the Party has for the first time given preliminary but systematic answers to a series of basic questions about how to build, consolidate and develop socialism in a country with a backward economy and culture like China. It has also developed Marxism by introducing new ideas and viewpoints.

The main contents of the theory of building socialism with Chinese characteristics are as follows:

Concerning socialism's path of development, we must go our own way,

not regard books as dogma and not indiscriminately copy the models of other countries. We must take Marxism as a guide to action, make practice the sole criterion for judging truth, emancipate our minds, seek truth from facts, proceed from realities, cherish the creative spirit of the people and build socialism with Chinese characteristics.

With regard to socialism's stages of development, it is our scientific judgment that China is still in the primary stage of socialism, which will last for at least a hundred years. All principles and policies must comport with this basic reality. We must neither distance ourselves from it nor try to leapfrog over this stage.

With respect to the fundamental task of socialism, in essence, its objectives are to liberate and develop the productive forces, stamp out exploitation and polarization, and ultimately achieve prosperity for all. The principal problem in our society in the present stage is how to meet the ever-growing material and cultural needs of the people with the country's backward social production. To promote all-round social progress, we must give priority to the development of the productive forces and set economic development as our central task. In the final analysis, the criterion for judging right or wrong and success or failure in all of our work is whether it is favorable to promoting the development of the productive forces in a socialist society, to increasing the overall national strength of the socialist state, and to raising the people's living standards. Science and technology are a primary productive force, and in pursuing economic development we must rely on scientific and technological progress and try to create a more highly skilled workforce.

Regarding the motive force for socialist development, reform is also a kind of revolution, a revolution whose goal is to liberate the productive forces. It is the only way to modernize China. If we allow ourselves to ossify and stagnate, we will accomplish nothing. The objective of economic restructuring is to develop a sound socialist market economy, while keeping the public sector of the economy in the dominant position and maintaining distribution according to work as the principal mode of distribution, supplemented by other sectors and other modes. The primary objectives of political restructuring are to improve the system of people's congresses and the system of multiparty cooperation and political consultation under the leadership of the Communist Party and to develop socialist democratic politics. In harmony with economic and political restructuring and development, we must promote socialist cultural and ethical progress to attain

the goal of training citizens who have high ideals, moral integrity, a good education and a strong sense of discipline.

With regard to the external conditions for socialist development, peace and development are the themes of today's world. We must adhere to an independent foreign policy of peace and strive to create a favorable international environment for our modernization drive. Opening up is indispensable to reform and economic development. We also need to develop socialism by absorbing and utilizing the advances made by all other countries, including developed capitalist countries. A closed-door policy can only perpetuate backwardness.

As to political guarantees for socialist development, we must keep to the socialist road and uphold the people's democratic dictatorship, the leadership of the CPC, and Marxism-Leninism and Mao Zedong Thought. These Four Cardinal Principles are the foundation of our country. They will guarantee the sound progress of reform, opening up and modernization, which will in turn enrich them with new contemporary content.

Regarding the strategic plan for socialist development, modernization should be achieved in three steps. In this long process we need to grasp every opportunity to experience a period of particularly rapid development and good economic results every few years. Poverty is not socialism. Yet it is impossible to simultaneously achieve prosperity for everyone. We must allow and encourage some regions and individuals to prosper first, so that more and more regions and individuals do so until common prosperity is eventually attained.

With respect to issues of the leading force in building socialism and the forces it relies upon, the CPC, as the vanguard of the working class, is the force at the core leading the socialist cause forward. It must therefore satisfy the requirements of reform, opening up and modernization, and constantly improve itself and strengthen its leadership in all areas of work. The style of work of a party in power and its links with the masses are vital to its very existence. We must rely on workers, farmers and intellectuals; on the unity of the people of all our ethnic groups; and on the broadest possible united front of socialist workers, patriots who support socialism, and patriots who desire the reunification of the motherland. The people's army, led by the Party, is the defender of the socialist motherland and an important force for building socialism.

With regard to reunification of the motherland, we have put forward the creative concept of "one country, two systems" — the proposition that,

on the premise that there is only one China, most parts of the country should adhere to a socialist system, while Hong Kong, Macao and Taiwan retain the capitalist systems they currently have for a long time to come. We will work to fulfill the grand task of peaceful reunification of the motherland on the basis of this principle.

The theory of building socialism with Chinese characteristics contains much other content. As we test it in the course of practice, study new situations and solve new problems, we will continue to enrich, refine and develop it.

Under the guidance of this theory, our Party has formulated the basic line for the primary stage of socialism: to lead the people of all our ethnic groups in a united, self-reliant, arduous struggle to transform China into a prosperous, strong, democratic, culturally advanced and modern socialist country, by setting economic development as our central task, adhering to the Four Cardinal Principles and persevering in reform and opening up. "One central task, two basic points" is a succinct summary of this line. Our Party has also formulated a set of principles and policies regarding economics, politics, science and technology, education, culture, and military and foreign affairs that are in conformity with this line. This line and these principles and policies are likewise to be continually enriched, refined and developed in the course of practice.

The theory of building socialism with Chinese characteristics has taken shape gradually as we have carried out reform, opening up and socialist modernization in the current situation in which peace and development are the themes of the times. It springs from a review of the experience gained from our successes and failures in building socialism in China and borrows from similar experiences in other countries. It is the product of the integration of the basic tenets of Marxism-Leninism with the realities of present-day China and the special features of our times, a continuation and development of Mao Zedong Thought, a crystallization of the collective wisdom of the whole Party and all the Chinese people, and an intellectual treasure belonging to them all.

Comrade Deng is the chief architect of our socialist reform, opening up and modernization. He respects practice and the masses and constantly pays attention to the interests and aspirations of the overwhelming majority of the people. He is adept at drawing conclusions from their experiences and innovations, has his finger on the pulse of the times and seizes upon favorable opportunities whenever they pres-

ent themselves. He has carried forward the fine work of our predecessors, but at the same time broken with outmoded conventions, displayed great political courage by blazing a new socialist path and great theoretical boldness in opening up a new domain of Marxism, and made a historic contribution by formulating the theory of building socialism with Chinese characteristics.

The experiences drawn from the great practice over the past 14 years can be summed up in one sentence: We must unshakably adhere to the Party's basic line, guided by the theory of building socialism with Chinese characteristics. This is the most reliable guarantee that we can withstand the test posed by the dangers that may beset us on the road to our goal.

To adhere unswervingly to the Party's basic line, we must, first and foremost, keep economic development as our central task. Because of both domestic factors and international influences, even after the establishment of the basic socialist system, class struggle will continue to exist in certain areas for a long time and may intensify under certain circumstances. We must have a clear understanding of this question and correctly solve any problems that may arise. However, class struggle is no longer the principal problem in our society, and economic development has become our central task. We must never waver in economic development regardless of the circumstances, except in the event of a large-scale foreign invasion. In years past we sometimes turned aside from economic development because we did not have a sufficiently clear understanding of certain international and domestic events, and we have learned a hard lesson as a consequence. However, over the past 14 years we have never deviated from this central task despite the major events of various kinds that have taken place in China and abroad, and we must unswervingly concentrate on it in the years to come.

To adhere unwaveringly to the Party's basic line, we must integrate the reform and opening up policy with the Four Cardinal Principles. Socialism with Chinese characteristics is so vigorous today because we have implemented the reform and opening up policy. And reform and opening up have been progressing smoothly because they help consolidate and expand socialism. The purpose of adhering to the Four Cardinal Principles and the reform and opening up policy is to liberate and develop the productive forces to an even greater extent. As we follow the policy of "one central task, two basic points," Party members, especially leading cadres, must be on the alert for Right tendencies, but also and mainly for "Left" tenden-

cies. Right tendencies are manifested chiefly in negating the Four Cardinal Principles, in pursuing bourgeois liberalization and even in creating political turmoil. "Left" tendencies are manifested chiefly in denying the correctness of the reform and opening up policy, maintaining that the main danger of peaceful evolution toward capitalism derives from the economic sphere, and even undermining the focus on economic development as the central task by taking class struggle as the key link. Right tendencies can be the ruin of socialism, and so can "Left" tendencies.

"Left" ideas have deep roots in the history of our Party. Their exponents sound very revolutionary; they try to intimidate people by pinning political labels on them, as if being more "Left" means being more revolutionary. Most of the mistakes that were made in the course of building socialism during the 20 years, beginning in 1957, were "Left" in nature. It is likewise "Left" tendencies that present the chief obstacle to our efforts to open a new path through reform and opening up and break free of the fetters that hinder the development of the productive forces. Now we are making it clear that we must guard not only against Right tendencies, but also and primarily against "Left" ones, in order that all our Party members, especially leading cadres, will take the lessons of the past to heart and apply them to the present realities and to their own thinking and work. This will help them to enhance their political consciousness and their determination to carry out the Party's basic line, emancipate their minds, and work together for still greater success in economic development and other undertakings. In dealing with problems of ideology and understanding, and with differing opinions and mistakes in practical work, we need to analyze each of them realistically, and not arbitrarily designate them "Left" or Right political tendencies.

To adhere unswervingly to the Party's basic line, we must consolidate and expand political unity and stability. Without political and social stability, any attempt to carry out reform and opening up and to promote economic development would be impossible. We must adhere to the Four Cardinal Principles and resolutely eliminate all factors that might lead to unrest or even turmoil in China. Conversely, if we do not make economic development our central task and initiate reform and opening up, and if we therefore fail to achieve economic growth, any effort to consolidate unity and stability would be impossible. We will be able to forge steadily ahead only if the basic line remains unchanged and there is social and political stability.

II. The Major Tasks in Reform and Economic Development in the 1990s

In the 1990s, the key to advancing our great cause of socialism with Chinese characteristics is to adhere to the Party's basic line, accelerate reform and opening up, and concentrate our energies on furthering economic development. At the same time, while making economic development our central task, we also need to strengthen our socialist democracy, legal system, and culture and ethics in order to promote all-round social progress.

Modern Chinese history and the realities of the present-day world show that as long as a country is economically backward, it will be in a passive position and under the control by others. Nowadays, competition among countries is, in essence, a contest over national strength based on economic, scientific and technological strength. A great number of countries in the world, our neighboring countries and regions in particular, are speeding up their development. If we fail to develop our economy rapidly, it will be very difficult for us to consolidate the socialist system and maintain long-term political stability. Whether we can accelerate economic development is therefore an important question both economically and politically.

The economic target set for the 1990s is to increase the GNP by an average of 6% per year. However, judging from the present situation of development at home and abroad, it should be possible for us to achieve a faster growth rate. According to preliminary estimates, it is possible to achieve a growth rate of 8 or 9%, and we must strive to do so. If we work hard on the basis of improving product quality, optimizing the structure of production and increasing economic returns, we should be able to achieve this pace. Then, by the end of this century, the general quality of our national economy and our overall national strength will reach a new level, the output of basic industrial and agricultural products will greatly increase, and we will exceed the goal of quadrupling our country's 1980 GNP. The industrial structure and the distribution of regional economies will become relatively rational, and scientific and technological levels and managerial expertise will rise considerably. A number of key enterprises will approach or reach advanced world standards. The people's living standards will rise from having the basic necessities to enjoying moderate prosperity. We hereby propose that the State Council amend the Eighth Five-Year Plan correspondingly and begin drawing up the Ninth [1996-2000].

We need to seize the present favorable opportunity to accelerate eco-

nomic development. We need to do our best to achieve a higher growth rate in areas where conditions permit. We need to encourage enterprises that can produce high-quality products, operate efficiently, and satisfy the changing needs of markets both at home and abroad to expand production. We need to proceed from the starting point of actual conditions, keep development within the limits of our capabilities and maintain overall balance. In trying to accelerate development, we cannot rush headlong into action down the beaten path of neglecting economic results, one-sidedly striving to increase output value, unrealistically competing with one another, blindly initiating new projects or expanding capital construction. We need to do solid work, proceed boldly but prudently and make concerted efforts to accomplish a few major tasks that will pave the way for faster growth and better economic results in future.

To accelerate economic development we must further emancipate our minds and speed up the pace of reform and opening up, and not get bogged down in an abstract debate over what is socialist and what is capitalist. To achieve superiority over capitalist countries, socialist countries should not hesitate to adopt from abroad, including from developed capitalist countries, any advanced operating methods or management techniques that reflect the general laws governing modern production and the commodity economy. Foreign funds, resources, technology and skilled personnel, along with privately owned enterprises that are a beneficial supplement to our economy, can and ought to be exploited to benefit socialism. Political power is in the hands of the people, and we also have a strong public sector of the economy, so acting in this way will not harm socialism, but rather promote its development.

Setting the right objective for China's economic restructuring is vital to the success of the socialist modernization drive. A correct understanding and handling of the relationship between planning and the market lies at the core of this issue. Conventional wisdom holds that a market economy is peculiar to capitalism, while a planned economy is the basic feature of socialism. Since the Third Plenary Session of the Eleventh Central Committee and with the deepening of reform, we have gradually freed ourselves from this conventional thinking and formed a new understanding of this issue. This has played an important role in advancing reform and economic development. The Party declared at its Twelfth Congress that planning was primary and regulation by market forces secondary. At its Third Plenary Session the Twelfth Central Committee stated that a com-

modity economy was a stage that could not be bypassed in developing a socialist economy and that China's socialist economy is a planned commodity economy based on public ownership. At its Thirteenth Congress, the Party held that the socialist planned commodity economy should be a system that integrates planning with market forces. After its Fourth Plenary Session the Thirteenth Central Committee stated that it is necessary to establish an economic system and operating mechanisms that are in line with the development of a planned commodity economy and combine planning with regulation by market forces.

In particular, Comrade Deng pointed out in the important talks he gave early this year that a planned economy does not necessarily equate with socialism, because there is planning under capitalism too, and that a market economy does not necessarily equate with capitalism, because there are markets under socialism too. He said planning and control by market forces are both means of regulating economic activities. The proportion of planning to market forces, he added, is not the essential difference between socialism and capitalism. This brilliant thesis has helped liberate us from the restrictive notion that the planned economy and the market economy belong to fundamentally different social systems, and was thus a great breakthrough in our understanding of the relationship between planning and market forces.

In the ten plus years since the introduction of reform and opening up, the role of market forces has gradually grown. Price controls for most commodities have been lifted, and the extent of mandatory planning has contracted considerably, which has allowed greater leeway for market forces to regulate economic activities. Practice demonstrates that, where market forces have been given free rein, the economy has been vigorous and the development situation has been comparatively favorable. To optimize the economic system, improve economic performance, accelerate economic development and compete internationally, we must continue to give market forces a freer hand. Now that we have gained a deeper understanding of them in practice, we should state explicitly that the objective of economic restructuring is to establish a socialist market economy that will further liberate and expand the productive forces.

In establishing a socialist market economy, we seek to let market forces, subject to macro-control by the state, serve as the basic means of regulating the allocation of resources, and to make economic activities adhere to the law of value and be responsive to changes in supply and demand. We

need to make use of the functions of price leveraging and a competition mechanism to allocate resources to those sectors that yield comparatively good economic returns. In this way, we will apply pressure on enterprises and motivate them to improve their performance, so that superior ones will prosper and inferior ones fall by the wayside.

We need to use the market's sensitivity to all manner of changes in economic signals to promptly coordinate production with demand. We must also realize that markets have inherent weaknesses and negative aspects, so we must strengthen and improve the state's macro-control of the economy. We need to work hard to establish an integrated national market, and let market forces play a bigger role. We need to guide the healthy growth of the market by the use of economic policies, regulations, planning and necessary administrative means, in accordance with the dictates of objective laws.

The socialist market economy is an integral component part of the basic system of socialism. As far as the ownership structure is concerned, for a long time to come we need to allow diverse economic sectors to develop side by side. The public sector, which includes enterprises owned by the whole people and those owned by collectives, is to remain dominant, with the private sector, which includes individually owned and overseas-invested enterprises, serving as a supplement. Enterprises in different economic sectors may operate jointly in different ways on a voluntary basis. SOEs, collectively owned enterprises and other enterprises all compete in the market, and SOEs should exercise their leading role through equal competition.

As far as distribution is concerned, distribution according to work will remain the predominant mode, with other modes of distribution playing a supplementary role, and with due consideration given to performance and fairness. By employing various means of regulation, including the market, we need to encourage the best workers and help enhance efficiency. We need to widen disparities in personal income to a reasonable degree, while at the same time preventing polarization and gradually realizing common prosperity.

Macro-control enables our socialist country to integrate people's immediate and long-term interests and the interests of some with the interests of all, and to exploit the advantages of both planning and market forces. State planning is an important means of macro-control. We need to update our concept of planning and improve our planning methods. When the state devises plans, its main tasks should be to set reasonable strategic

targets for national economic and social development, forecast economic development, control total supply and demand, adjust the geographical distribution of major industries and the productive forces, and muster the financial and material resources necessary for the construction of important projects, all for the purpose of achieving better and faster economic development by bringing all economic leveraging to bear.

Establishing a sound socialist market economy will be a long-term process because it is an arduous and complex feat of social systems engineering. We must be prepared to make sustained efforts, yet work with a sense of urgency. We must keep to the correct orientation, yet vigorously proceed in the light of actual conditions. During the process of establishing a socialist market economy, the extent to which planning is combined with market forces and the form this combination assumes may vary at different times, in different places and in different economic sectors. We need to boldly explore new methods, dare to experiment and promptly learn from our experience in order to replace the old system with the new in a sound manner. The establishment of a socialist market economy affects China's economic base and superstructure in many different ways, and it therefore requires a series of corresponding structural reforms and policy adjustments. We must draw up a general plan and carry it out step by step. We are convinced that a market economy established under socialism should and certainly can operate better than one under capitalism.

To accelerate reform and opening up and promote economic development and all-round social progress, we must redouble our efforts to fulfill the following ten major tasks, all of which involve our overall interests.

1. We must quicken the pace of economic reform, with the focus on establishing a socialist market economy.

To establish a socialist market economy we must take the following important and interrelated steps.

First, we must change the way SOEs, especially large and medium-sized ones, operate, and push them into the market in order to make them more vigorous and improve their quality. This is the key link in establishing a socialist market economy, and the lynchpin for strengthening the socialist system and manifesting its superiority. We need to straighten out relationships between ownership and management of enterprises, separate government administration from enterprise management and grant enterprises more autonomy in order to transform them into legal entities responsible for their own decisions concerning their operation and development and

for their own profits and losses. They should compete on the market and take responsibility for preserving and increasing the value of state assets. The contract system currently in effect should be further improved. The joint stock system will help promote the separation of government administration from enterprise management, a change in the way enterprises operate and the accumulation of social capital. We should therefore actively try it out in selected enterprises, learn from our experience, and formulate and implement laws and regulations to ensure that the system develops in a sound and orderly manner. Enterprises with the right conditions should be encouraged to merge or acquire others so as to form enterprise groups. Some small SOEs may be leased or sold to collectives or individuals.

Second, we must accelerate establishment of the market system. We need to continue to energetically develop commodity markets, especially for capital goods; foster financial markets, including markets for bonds, stocks and other negotiable securities; and develop markets for technology, labor, information and real estate, in order to form an integrated national market system open to all. At the same time, we need to strengthen market rules and regulations, dismantle barriers between regions and between departments, prohibit embargoes and prevent the formation of monopolies, in order to promote competition on an equal footing. Reform of the pricing system is key to building markets and restructuring the economy. It is therefore necessary to pick up the pace of that reform to the extent it can be tolerated by the various sectors of society, straighten out price relations and establish a system in which most prices are determined by market forces.

Third, we must deepen the reform of the distribution system and the social security system. We need to improve the distribution relations between the state and enterprises and between the central and local authorities, taking the interests of the state, collectives and individuals into consideration. We have to gradually introduce a system whereby enterprises pay tax plus a percentage of profits and a system whereby tax revenues are shared by the central and local authorities. We need to speed up the reform of the wage system, with the aim of gradually introducing features specially suited for enterprises, institutions and government agencies, as well as a mechanism for periodic wage increases. We also need to hasten the establishment of a social security system covering unemployment, old age and medical care and the reform of the housing system in cities and towns.

Fourth, we must accelerate changes in government functions. This is

an issue of major importance for aligning the superstructure with the economic base and promoting economic development. Unless we make substantial progress in this area, it will be difficult for us to deepen reform and establish a socialist market economy. The fundamental means for effecting this change is to separate government administration from enterprise management. Governments at all levels should not intervene in areas where the state has decreed that functions and powers belong to enterprises. Central government departments and local governments thus may not retain powers delegated to enterprises. The main functions of the government are to formulate overall plans, set policy, offer guidance by making information available, organize and coordinate, provide services, and conduct supervision and oversight. We need to implement additional reforms of the management systems of the specialized departments in charge of planning, investment, finance, banking, etc., and tighten auditing and economic oversight. We must improve the scientific systems and methods of macroeconomic management and divide the responsibilities for it rationally between the central authorities and the provinces, autonomous regions and municipalities directly under the central government, giving full rein to the initiative of each.

2. We must open wider to the outside world and make more and better use of foreign funds, resources, technology and managerial expertise.

We need to open up more areas of our country, and open them up at different levels, through multiple channels and by various means. We need to continue to manage SEZs, open coastal cities and open coastal economic development areas well. We need to open more areas along our borders and accelerate the opening of interior provinces and autonomous regions. We also need to open up more cities along the Yangtze River, with the development and opening of Pudong, Shanghai, spearheading this initiative. We need to build Shanghai into an international economic, financial and trade hub as quickly as possible to give the economies of the Yangtze River Delta and all areas in the Yangtze River Valley a boost. We need to speed up opening and development in Guangdong, Fujian, Hainan and the Bohai Rim Region. We will strive to lead Guangdong and other areas where conditions permit to basically achieve modernization within 20 years.

We must widen the sphere in which foreign capital is utilized. We must use more flexible methods to continue to improve the investment environment and make it more convenient for foreign businesses to invest and do business in China, and we need to guarantee them full legal protection. We

need to attract foreign investment in accordance with the national industrial policy, funneling it primarily into infrastructure, basic industries, those enterprises that need technological upgrading or are capital- or technology-intensive, and, as appropriate, into banking, commerce, tourism, real estate and other areas. We need to ensure that economic and technological development zones and development zones for new- and high-technology industries are rationally distributed and well managed.

We must actively expand into more international markets, diversify our foreign trade and develop an outwardly oriented economy. We need to expand exports, improve the export product mix, and raise the quality and grade of export products, while at the same time we must increase imports by an appropriate amount, make greater use of foreign resources and import more advanced technology. We need to deepen reform of the system for managing foreign trade and quickly establish a new system that is in keeping with the development of the socialist market economy and conforms to international norms. We need to grant enterprises and science and technology research institutes the prerogative to engage in foreign trade, and we need to encourage domestic enterprises to expand their foreign investments and their multinational operations.

3. We must adjust and optimize the industrial structure, and focus heavily on agriculture, while accelerating the development of basic industries, infrastructure and tertiary industries.

In the light of the actual condition of our economy and its development trend, we need to try to raise the level of agriculture, which is the primary industry, and steadily increase output. We need to continue to expand secondary industries and actively adjust their structures, while doing more to stimulate tertiary industries.

Agriculture is the foundation of our national economy; therefore, we must continue to accord its development highest priority, and we must invigorate the rural economy in its entirety. We must recognize the importance of diversification and continue to adjust the agricultural structure, while also ensuring that the output of grain and cotton increases steadily. We need to actively develop farming, forestry, animal husbandry, sideline industries and fisheries, and to develop a high-yield, high-quality and high-efficiency agriculture. We need to persevere in revitalizing agriculture by relying on science, technology and education. We need to increase investment in agriculture in different forms and through different channels, perseveringly continue construction of water conservancy projects, and constantly

raise the level of intensive management and overall productivity. We must continue to vigorously expand township and village enterprises, and particularly support those in the central and western regions and in ethnic minority areas.

We must fully carry out the decision of the Eighth Plenary Session of the Thirteenth Central Committee, and deepen the reform of the rural economic system and operating mechanisms. We need to preserve the responsibility system, the main form of which is household contracts linking remuneration to output, and the two-tiered operational system that integrates unified with independent management as our basic systems for a long time to come, while constantly improving them. We need to actively develop diverse forms of social services for agriculture and gradually increase the economic strength of collectives, as the actual conditions in different places permit. We need to move faster to reform the pricing system for agricultural products and the rural distribution system. In developing the rural economy, we must continue to expand the regulatory role of the market.

We need to speed up development of infrastructure and basic industries such as transportation, telecommunications, energy, important raw and semi-finished materials and water conservancy. This is not only urgently needed now to accelerate economic development but also an important condition for sustaining economic development. To do so, we need to concentrate on effectively constructing a number of pivotal projects of high quality. We need to promptly begin construction of the Three Gorges Key Water Control Project on the Yangtze River, the South-to-North Water Diversion Project, a second railway for transporting coal from western to eastern China, the ten-million-ton steel mill and other super-projects that will not be completed until the next century.

We need to intensify geological prospecting. We need to revitalize the machine-building and electronics industries, the petrochemical industry, the automobile industry and the construction industry in order to make them pillars of the economy. We must forego no opportunity to develop new- and high-technology industries. Enterprises in textiles, processing and other light industries must increase their efficiency and raise their technical level through merger, reorganization and technological upgrading. We need to pay close attention to conserving energy and raw and semi-finished materials and making the best use of resources. So far as fixed asset investment is concerned, we need to give priority to infrastructure and basic industries,

to technological upgrading, to rebuilding and expansion of existing enterprises, and especially to the technological upgrading of old industrial bases and large key enterprises.

Developed and flourishing tertiary industries are an important hallmark of a modern economy. At present, the total value of tertiary industries in China is far less than it is in developed countries, and even in many other developing countries. Expanding China's tertiary industries such as commerce, finance, insurance, tourism, information services, consultancy services like law, accounting and auditing, and neighborhood services will help stimulate the growth of the market, raise the level of socialization and professionalization of services, achieve better economic results, increase economic efficiency, and make people's lives richer and more convenient. Moreover, this will create employment opportunities and provide the necessary conditions for adjusting the economic structure, changing the way enterprises operate and reforming government institutions. We must call upon the initiative of the state, collectives and individuals to step up development of tertiary industries in order to greatly increase their proportionate share in the GNP.

4. We must accelerate progress in science and technology, put great effort into developing education and get intellectuals to play a bigger role.

Science and technology are a primary productive force. To enliven the economy, we must first promote the development of science and technology. Only by resolutely promoting scientific and technological progress will we be able to gain the initiative amid fierce competition. At a time when we are facing the major tasks of accelerating economic development, adjusting the economic structure and improving economic performance, it is especially necessary to raise the consciousness of all of society as to the importance of science and technology, increase investment in them through various means, and genuinely rely on scientific and technological progress. Scientific and technological work should be geared to economic development, which is our main field of endeavor. Resources should be divided rationally between basic research, R&D, and development of new and high technologies and industries using them, and we should set our sights on reaching world-class levels in all three areas. The Chinese nation must assume its rightful place in the arena of advanced science and technology.

We need to deepen reform in order to establish a mechanism for effectively integrating science and technology with the economy, and speed up the process of commercializing scientific results and converting them into

actual productive forces. We need to constantly improve the protection of intellectual property rights. We need to assimilate advanced technologies from abroad and improve upon them. We must increase the contributions scientific and technological progress makes to economic growth in order to bring about a change from extensive to intensive management of the economy as a whole.

Scientific and technological progress, economic prosperity and social development are all fundamentally dependent on raising the quality of workers in general and training large numbers of skilled personnel in particular. In order to modernize China, it is imperative that we make education a strategic priority and raise the ideological and ethical standards and the scientific and educational levels of the entire population. We must optimize the educational structure and do all we can to strengthen elementary education; expand vocational, adult and higher education; and encourage people to improve themselves through independent study. Governments at all levels must increase their investment in education. We should encourage members of society to raise funds through various channels in various ways to operate nongovernmental schools and put an end to the state monopoly on education. Schools of all types at all levels should implement the Party's principle regarding education and raise the overall quality of instruction. We must try to wipe out illiteracy among most young and middle-aged people by the end of the century and to institute nine-year compulsory education in most areas by then as well. We must further reform the education system, course content and teaching methods, strengthen teacher training, grant schools more autonomy, and promote the close integration of education with economic development and scientific and technological progress.

Intellectuals are members of the working class who have a better scientific and general education than others and who pioneer advanced productive forces. They play an especially important role in reform, opening up and modernization. Whether we are able to fully utilize their abilities or not will greatly determine whether our country flourishes or declines and whether our modernization drive succeeds or fails. We need to strive to create a better environment that allows intellectuals to use all their skills and knowledge, and we need to work harder to cultivate an atmosphere of respect for knowledge and talent.

We are determined to adopt major policies and measures to improve the working, studying and living conditions of intellectuals and to handsomely reward those making outstanding contributions. We need to intro-

duce a standardized system of incentives. We greatly appreciate it when our people studying abroad show concern and support for the drive to modernize the motherland and become involved in it in myriad ways. When they return to participate in socialist development, our policy is to warmly welcome them no matter what their political attitudes were in the past. Good working and living arrangements will be made for them, and they will be allowed to come and go freely and easily. Intellectuals have made tremendous contributions to socialist modernization. We have no doubt that they will live up to the ardent hopes of the state and the people and will prove worthy of the trust placed in them by working ever harder to make new contributions.

5. We must fully exploit the particular advantages of each region, accelerate regional economic development and promote a rational distribution of the national economy.

Our country's territory is so vast that conditions vary greatly from place to place, as do levels of economic development. We should promote the rational distribution and sound development of regional economies under the guidance of unified planning by the state and in accordance with the principle of proceeding in light of local conditions, working out a rational division of labor, getting each region to exploit its own strengths and complement other regions' weaknesses, and achieving common development.

The eastern coastal region should aggressively develop an outwardly oriented economy, and concentrate on developing industries and products with high added-value that earn large sums of foreign currency, make use of high technology, and efficiently use energy and raw and semi-finished materials. The region should avail itself of more foreign capital and other resources to achieve a fast-track growth rate and better economic benefits.

The central and western regions are endowed with abundant natural resources, and the geography of their border areas gives them great potential for opening to the outside world, so the state needs to provide support for their development through unified planning. On the basis of the dictates of the market economy, these regions and areas should open up faster to other parts of the country and to the outside world. They need to build more infrastructure projects to more readily utilize their natural resources and vigorously develop industries and products for which they are particularly suited. Where conditions permit, they should build an outwardly oriented economy in order to stimulate overall economic development.

Each region needs to look at the big picture and take the overall national interests as their starting point, rather than creating their own self-sufficient economies, and must assiduously avoid construction of redundant projects and duplication of imports. We need to actively encourage rational exchanges and cooperation between regions in order to form a new, mutually beneficial circular economic pattern. We need to effectively utilize key cities in our efforts to develop regional economies on the basis of their natural geographical characteristics and existing economic relations.

It is of the utmost importance to develop the economies of ethnic minority areas more rapidly in order to strengthen ethnic unity, consolidate frontier defense, and promote economic development nationwide. Poor areas must shed poverty and become prosperous as soon as possible. This is one of our objectives for the second step of the strategic plan for national economic and social development. The state should adopt effective policies to support ethnic minority areas, old revolutionary base areas, border areas and poor areas. Areas that are relatively well developed economically should also adopt diverse measures to help them accelerate their development.

6. We must press ahead with political restructuring and make significant improvements in our socialist democracy and legal system.

As economic restructuring and development move forward, we must also press ahead with political restructuring, bearing in mind that promoting democracy must be closely linked with improving the legal system. The goal of political restructuring is to build socialist democratic politics with Chinese characteristics, and definitely not a Western, multiparty parliamentary system. The Chinese Constitution stipulates that the state organs of the People's Republic of China shall apply the principle of democratic centralism, which is a fundamental system in China. People's democracy is an essential requirement for socialism and one of its intrinsic attributes. Without democracy and a legal system, there can be no socialism and thus no socialist modernization. We need to make significant progress in developing our socialist democracy and legal system in order to consolidate and develop a stable social and political environment and ensure the smooth progress of economic development, reform and opening up.

We must further improve the system of people's congresses, strengthen the legislative and oversight functions of the congresses and their standing committees, and expand the role of the deputies to the congresses. We need to improve the system of multiparty cooperation and political consul-

tation under the leadership of the Communist Party. In this new period, we need to consolidate and broaden the patriotic united front and let the CPPCC fully play its part in political consultation and democratic oversight. We need to continue to adhere to the principle of long-term coexistence, mutual oversight, sincerity, and sharing of both good and bad times with the democratic parties; strengthen consultation with them; and support the appointment of their members and persons without party affiliation to leading positions in state organs in order to further solidify the alliance of our Party with non-Party people.

China is a unified, multiethnic state, and the great solidarity of all ethnic groups is an important guarantee that the motherland will remain unified and that socialist modernization will be achieved. It is essential to implement all aspects of the Party's ethnic policy. We must therefore uphold and improve the system of regional ethnic autonomy and adhere to the principle of equality, mutual assistance, unity and cooperation among all ethnic groups in order to promote common prosperity. The Party's policies on religion and on overseas Chinese affairs must likewise be carried out conscientiously in the service of socialist modernization.

Scientific and democratic decision making is essential to promoting democratic centralism and building socialist democratic politics. Leading bodies and cadres must listen attentively to the opinions of the masses, solicit advice from experts in various fields and from research institutes and consultancy agencies, and establish a system of democratic and scientific decision making as soon as possible. We must strengthen primary-level democracy and ensure that workers' congresses, urban residents' committees and rural villagers' committees function well. We need to improve the work of the agencies overseeing law enforcement and government administration, recognize the importance of oversight by public opinion via the media and gradually improve oversight mechanisms, so that government agencies at all levels and their functionaries are brought under effective oversight.

All due attention should be given to improving the legal system. We urgently need to strengthen legislation in order to establish a socialist market economy. In particular, we must pass laws and regulations that will ensure smooth progress in reform and opening up, provide for better macroeconomic management and standardize microeconomic behavior. We must strictly enforce the Constitution and laws, oversee their enforcement, and firmly put an end to the practices of cadres substituting their own arbitrary

pronouncements for law and replacing imprisonment with fines. We must ensure the independence of the people's courts and the people's procuratorates in carrying out their work in accordance with the law. We need to strengthen procuratorial, judicial and public security departments and improve the quality and competence of their personnel. Education has to be combined with practice in order to enhance the understanding of cadres and the masses regarding democracy and the legal system.

Good public order is of immense importance because it is of immediate concern to the people and essential for social stability and economic development. We must adopt effective measures to bring to an end to the disorder that exists in some places. We must strengthen the functions of the people's democratic dictatorship and rely on close cooperation between relevant government agencies and the masses in order to improve all facets of public security, crack down on hostile forces and every type of criminal activity, uphold justice and protect the people.

7. We must resolutely reform the administrative system and Party and government institutions in order to effect a change in their functions, straighten out interdepartmental relationships, simplify administration and improve efficiency.

Reforming Party and government institutions and simplifying administration is an urgent task in carrying out political restructuring and an important condition for deepening economic reform, establishing a market economy and accelerating modernization. At present, the overstaffing, overlapping, redundant procedures and inefficiency of many of these institutions insulate them from the masses and greatly obstruct efforts to change the way enterprises operate to such an extent that there is simply no alternative to reform. Party committees and governments at all levels must reach a common understanding on this matter and make up their minds to reform the current administrative system and their institutions in accordance with the principles of separating government administration from enterprise management and achieving simplification, uniformity and efficiency.

Departments with overall responsibility for the economy need to turn their gaze to improving macro-control. Some specialized economic departments and some agencies whose functions overlap or are duplicated or whose work is similar must be abolished or merged, and the number of ad hoc organizations should be considerably reduced. Party and government agencies must cut back their personnel and keep them within authorized limits.

Reforming Party and government institutions and simplifying administration is an arduous task that demands comprehensive planning, meticulous organization, concerted efforts by people at all levels, and phased implementation, which we need to try to basically complete within three years. Staff reductions must be coupled with increases in efficiency and the development of the productive forces. We must not only improve the structure of Party and government staffs and raise the quality of their personnel, but also transfer large numbers of trained people to the service sector and other positions where they are needed so they can become a vital new force for modernization.

We must accelerate the reform of the personnel and labor systems and gradually establish scientific management systems and effective incentive mechanisms appropriate to Party and government agencies, enterprises and institutions. This reform must be combined with reform of Party and government institutions and the wage system. The civil service system must be put in place as soon as possible.

8. We must continue to foster both material progress and cultural and ethical progress, attach equal importance to both, and raise socialist cultural and ethical progress to a new level.

Reform, opening up and modernization are stimulating the Chinese people to emancipate their minds, acquire a broader outlook, turn their attention to the future and the world at large, and radiate a spirit of making self-improvement and striving for success. At the same time, these undertakings make greater demands for cultural and ethical progress. We will achieve socialism with Chinese characteristics only when we make both material progress and cultural and ethical progress. Progress in this second sphere must be closely linked to the central task of economic development, and provide economic development, reform and opening up with a powerful ideological impetus and strong intellectual underpinning.

The emphasis must lie on progress. We need to stress theoretical work, protect academic freedom, carefully integrate theory with practice, initiate creative research, develop philosophy and the social sciences, and uphold and advance Marxism. We need to train more young and middle-aged theoreticians and raise their overall level of professional competence. We need to adhere to the principles of serving the people and socialism and of letting a hundred flowers bloom and a hundred schools of thought contend. We need to press ahead with the reform of the system for managing cultural undertakings, improve our economic policies with respect to them, and

promote a flourishing socialist culture. We need to pay due regard to the social impact of works of art and urge the creation of works with healthy content and aesthetic value, especially ones that praise reform, opening up and modernization. We need to do better work in the fields of the press and publishing, broadcasting, television, literature, and art. We need to use ideological and political work to arouse the enthusiasm of the masses for devoting themselves to socialist development. We need to instruct people of all ethnic groups, especially young people, in the Party's basic line, modern and contemporary history and the present conditions of our country and further foster patriotism, collectivism and socialist ideology. Thus, the people will come to prize national dignity, self-confidence and self-reliance. They will be able to resist the corrosive influence of decadent capitalist and feudal ideologies and cherish correct ideals, convictions and values.

In every trade and profession, we need to emphasize the cultivation of ethical conduct, gradually develop norms of occupational ethics appropriate to each, and firmly put an end to unsound practices such as the abuse of power for personal gain. We need to strengthen education in social ethics and make a point of commending model workers who embody the spirit of the times. Enterprises, communities, villages, towns and schools must all strive for cultural progress. We need to carry out more activities involving the people such as those in which the army and the people or the police and the people jointly establish model communities and units, in order to achieve cultural and ethical progress at the primary level in both town and country. Cultural and ethical progress requires a guarantee of corresponding material support, so we need to increase investment in this area through various channels and include cultural facilities in the overall urban and rural development plan.

The spread of social evils damages people, especially young people, both physically and mentally; impedes modernization, reform and opening up; and mars the image of socialism. The people abhor and detest these evils. We must take off the kid gloves and wage a determined and effective long-term campaign to wipe them out.

Party committees at all levels need to conscientiously review the experience they have gained since we began reform and opening up in order to improve their leadership in making cultural and ethical progress. We need to draw upon and carry forward the fine ideological and cultural traditions of the Chinese nation, assimilate the finest achievements of other countries, and create an advanced culture and ethics through the rich, ac-

tive practice of socialism. We need to create a favorable environment for reform, opening up and modernization and nurture one generation after another of citizens who have high ideals, moral integrity, a good education and a strong sense of discipline.

9. We must continue raising living standards, strictly control population growth and strengthen environmental protection.

The purpose of accelerating reform, opening up and economic development is to meet the growing material and cultural needs of the people. As production expands and social wealth increases, the real income, the consumption level and the living standards of both urban and rural residents will rise significantly. Their food, clothing, transportation and especially their housing will greatly improve. Their cultural life will grow richer, sports will develop, hygiene will improve and the general level of health will continue to rise.

It will be a magnificent achievement indeed when the people of our country, one fifth of the world's population, can lead a moderately prosperous life. At the same time, it should be noted that China has a weak economic foundation and that this pioneering stage of the modernization drive requires more funds for development. We must continue the fine tradition of building the country through arduous struggle and frugality, so we need to foster an atmosphere of thrift in society.

We need to firmly implement the basic state policies of controlling population growth and strengthening environmental protection. We must never relent in our family planning work. We must ensure that the established goal of population control is attained, promote prenatal and postnatal care, and thereby enhance the quality of the population. We need to study population aging and take appropriate measures to deal with it. We have to increase the people's awareness of the importance of the environment; preserve and rationally exploit land, minerals, forests, water and other natural resources; and energetically improve the ecosystem.

10. We must strengthen the army and increase our defense capabilities in order to guarantee the smooth progress of reform, opening up and economic development.

The PLA is a powerful pillar of the people's democratic dictatorship, a Great Wall of steel protecting the socialist motherland and a potent force for building socialism with Chinese characteristics. Now and for a long time to come, our drive for socialist modernization will be conducted in a complex and volatile international environment. It is essential that the Party's

absolute leadership over the army must always be upheld. In accordance with Comrade Deng's thinking on army building in the new period, we must take the path of fewer but better troops with Chinese characteristics; turn the PLA into a powerful, modern, standardized revolutionary army; and constantly increase our defense capabilities in order to guarantee powerful protection for reform, opening up and economic development. We have already reduced the size of the army by one million men. From now on, it must strive to adapt to the requirements of modern warfare; emphasize raising quality; enhance its overall combat effectiveness; and do a better job shouldering the sacred mission of defending China's sovereignty over its territory, air space and territorial waters and its maritime rights, and safeguarding its unity and security. At the same time, the army must consciously subordinate itself to the overall interests of national economic development; actively support and participate in reform, opening up and modernization; and contribute to China's development and prosperity.

The army must strive to strengthen and reform itself, give strategic priority to education and training, and improve the overall combat effectiveness of officers and enlisted personnel. All army units must be qualified politically and competent militarily and have a fine work style, strict discipline and adequate logistics support. To gradually improve weapons and equipment, we must recognize the importance of scientific and technological research for national defense and of the defense industry.

As always, Party organizations, governments at all levels and all the Chinese people need to concern themselves with strengthening national defense and support the army in all of its tasks. We need to educate the people about the importance of national defense. The army should never abandon the work it does to support the government and show its concern for the people, and the government should never abandon its support for the army or stop giving preferential treatment to families of revolutionary servicemen and martyrs. This will improve the unity and mutual support of the army and the government on the one hand and the army and the people on the other.

We must do our work with regard to the militia and reservists well, and constantly strengthen national defense reserves. The Chinese People's Armed Police Force is an important force protecting socialist modernization. We must continue to strengthen it, together with the public and state security departments, so they can more effectively preserve national security and social stability.

Comrades,

Reform, opening up and modernization are magnificent undertakings of the people. To accomplish the arduous tasks of the 1990s, we must rely wholeheartedly on the working class and the rest of the vast pool of laboring people and make full use of their enthusiasm and creativity. As long as the Chinese people of all ethnic groups remain closely united and work hard for the prosperity of the country, our cause of socialist modernization will assuredly triumph.

III. The International Situation and Our Foreign Policy

In this complex and volatile world situation, we have made major achievements in our diplomatic work. The People's Republic of China now enjoys the finest period of good-neighborly relations with neighboring countries since its founding, and we have strengthened our solidarity and cooperation with many other developing countries, and improved and expanded our relations with all countries, including developed Western countries, on the basis of the Five Principles of Peaceful Coexistence. China's international influence is steadily increasing, and its international standing rising.

The world today is in a period of historic change. The bipolar structure has come to an end, forces are disintegrating and recombining, and the world is developing in the direction of multipolarization. The formation of a new structure will be a long and complex process. For a relatively long time to come, it will be possible to secure a peaceful international environment and avert a new world war. At the same time, it needs to be noted that the current international situation remains turbulent. Conflicts everywhere are deepening, and in quite a few countries and regions ethnic strife, territorial disputes and religious conflicts have intensified and even led to bloodshed and local wars. International economic competition has become increasingly fierce. The economies of many developing countries have further deteriorated, and the gap between North and South is further widening.

Peace and development remain the two themes in the world today. Development demands peace, and peace cannot be maintained without development. Hegemonism and power politics have always been the main obstacles to peace and development. World development based on the poverty and backwardness of developing countries cannot be sustained in

the long term. The drastic changes and turmoil of the international situation have helped awaken the people of the world. In developing countries that share bitter historical experiences, the trend toward safeguarding independence and sovereignty and seeking solidarity and cooperation is gaining momentum. The world yearns for peace, countries need to develop, society requires progress, economies have to flourish, and living standards must improve. These have become universal demands of people throughout the world.

Faced with this new international situation, the CPC, the Chinese government and the Chinese people will continue to develop their relations with foreign countries; seek a favorable international environment for China's reform, opening up and modernization; and make their own contributions to world peace and development.

China has always pursued an independent foreign policy of peace, whose basic objectives are to preserve our independence and safeguard our sovereignty while furthering world peace and development. We will never yield to any outside pressure on issues touching upon our national interests and sovereignty. China will always stand firm as a strong force upholding world peace. It will never enter into an alliance with any country or group of countries and will not join any military bloc. China will never seek hegemony or expansion; it is opposed to hegemonism, power politics, aggression and expansion in whatever form. China opposes the arms race and stands for effective disarmament and arms control carried out in a fair, equitable, comprehensive and balanced manner. Today, some other countries in the world are also calling for disarmament, but they have not actually reduced the quantity of their most sophisticated weapons. In its approach to international affairs, China abides strictly by the Charter of the United Nations and the acknowledged norms of international relations and adheres to the principled position of seeking truth from facts and upholding justice.

The nature of the new international order to be established is a question of universal concern to the international community today. In view of past experience and present reality, we advocate the establishment of a peaceful, stable, just and equitable new international order on the basis of the principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression and noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence. Such a new international order would include an economic order based on equality and mutual benefit.

The world is diverse, and differences of all kinds exist among countries. The peoples of all countries are entitled to select the social systems and paths of development that suit their specific conditions. All countries, whether big or small, strong or weak, rich or poor, should participate in international affairs as equal members of the international community. All countries should respect each other, seek common ground while putting aside differences, treat each other as equals, and live together in amity. Differences and disputes arising between countries should be resolved peacefully through negotiation in compliance with the United Nations Charter and the norms of international law, and force or the threat of force should not be used. Hegemonism and power politics, where a few countries dominate and manipulate international affairs, are untenable. The establishment of a new international order is a long-term undertaking, and the Chinese people, together with all other peoples of the world, will work tirelessly to accomplish it.

As a member of the United Nations and a permanent member of the Security Council, China attaches great importance to the work of the United Nations and actively participates in it. We support the United Nations and the Security Council in their efforts to preserve world peace, promote disarmament, advance global development and resolve international disputes.

China is a developing country. A key element of our foreign policy is to stiffen our solidarity and cooperation with other third world countries. China and the other developing countries will, as always, support each other in safeguarding their independence and sovereignty, and will increase their economic and cultural exchanges. China has become an observer at the Non-aligned Movement[2] and has established close ties with the Group of 77[3] as well. We will further enhance our cooperation with them.

China is willing to develop friendly relations and cooperation with all other countries on the basis of the Five Principles of Peaceful Coexistence. Differences in social systems and ideologies must not present obstacles to the development of relations between countries. In international contacts, China will never try to impose its social system or ideology on other countries, nor will China allow other countries to impose their social systems and ideologies on it. This is a principled position, and it will never change.

China is firmly committed to opening to the outside world and is ready to increase its economic, scientific and technological cooperation with all countries on the basis of equality and mutual benefit and to promote ex-

changes in fields such as culture, education, health and sports.

The CPC values its relations with political parties in other countries. It has already established ties of various sorts with many political parties and organizations in more than a hundred countries. We will continue to establish and develop friendly relations with political parties in foreign countries on the basis of the principles of independence, complete equality, mutual respect and noninterference in each other's internal affairs, and to increase mutual understanding and cooperation in the spirit of seeking common ground while putting aside differences.

The founding of the People's Republic of China put an end to the Chinese people's long and wretched history of suffering from aggression, oppression, bullying and humiliation, and it fundamentally improved the human rights situation in China. The people have become the masters of the country and have been steadily building new lives. The Constitution of our country accords fundamental protection to all the rights of the people. China has acceded to a series of international conventions on human rights and agrees to conduct international dialogues on human rights issues on an equal footing. Ultimately however, the question of human rights is a matter within each country's sphere of sovereignty. China resolutely opposes using human rights as a means to interfere in other countries' internal affairs.

Historical experience tells us that whenever any country encroaches upon the independence and sovereignty of others or interferes in their internal affairs on any pretext, or whenever any big, powerful or wealthy country coerces, humiliates and intimidates countries that are small, weak or poor, those actions are condemned. Any country that overreaches itself or rides roughshod over others will be denounced by the peoples of the world. A just cause enjoys abundant support, while an unjust cause finds little. Justice is always invincible.

IV. Strengthening Party Building and Improving Party Leadership

We must unswervingly follow the Party's basic line for a long time to come; we must carry out socialist reform, opening up and modernization better and faster; and we must maintain long-term political stability and make our country prosperous and strong. The key to all this is our Party and our steadfastly arming the entire Party with Comrade Deng's theory of building socialism with Chinese characteristics.

For more than seven decades the CPC has united with the Chinese

people of all ethnic groups and led them in overcoming difficulties and hardships, thereby fundamentally changing their status, the direction of Chinese history and the face of Chinese society. Since the Third Plenary Session of the Eleventh Central Committee, it has led the people in comprehensively creating a new situation of reform, opening up and modernization. The great, glorious and correct CPC, which led the people to victory in the revolution, can also lead them to triumph in reform and economic development. Any viewpoints or actions that cast doubt on, weaken or negate the Party's position in power and its leading role are entirely wrong and extremely harmful.

In the new historical period, major changes have occurred in the environment in which our Party functions and in the tasks it undertakes. It faces many new situations and issues in the areas of ideology, politics, organization and work style. In light of the new realities and in compliance with the Party's basic line, we must adhere to the principle that the Party should exercise self-discipline, be strict with its members, improve Party building, and exercise power and leadership more effectively. This will make it possible for our long-tested Marxist Party to function better as the leadership core for reform, opening up and modernization.

1. We must conscientiously study the theory of building socialism with Chinese characteristics and implement the Party's basic line more purposefully and resolutely.

Our Party is the vanguard of the working class and has Marxism-Leninism and Mao Zedong Thought as its guiding ideology. Marxism is a science that is deeply rooted in practice and one which develops through practice. The theory of building socialism with Chinese characteristics is the latest fruit of the integration of Marxism with Chinese realities. It is a Marxist theory for present-day China. It is a powerful ideological weapon that will enable us to fulfill our new historic mission. Studying Marxism-Leninism and Mao Zedong Thought means in essence studying the theory of building socialism with Chinese characteristics. Leading Party cadres, especially high-ranking cadres, should be the first to study it well and apply it well in practice. We should earnestly try not only to understand Comrade Deng's strategic thought and theoretical viewpoints, but also to emulate his scientific approach to examining new situations and his spirit of creativity in solving new problems by applying the Marxist stand, viewpoint and method. We need to learn the basic theory, integrate it with practice, and become aware of how to use it effectively. We hope that through study,

all our Party cadres will acquire a firm faith in socialism and communism, constantly enhance their political quality and their ability to solve practical problems, and translate this consciousness into tremendous material strength that will accelerate reform, opening up and modernization.

Emancipating our minds and seeking truth from facts are the essence of the theory of building socialism with Chinese characteristics and a talisman guaranteeing that our Party will always prosper and be vigorous. The two precepts have the same purpose: to keep our understanding in line with objective realities and, under the guidance of Marxism, to break the shackles of backward traditional notions and subjective prejudices, and overcome the habit of blindly following custom and rejecting novelty. We must not cling to a dogmatic interpretation of certain Marxist principles and theories, to an unscientific or even distorted understanding of socialism, or to ideas that are inappropriate for its primary stage. Instead, we must try to analyze and solve problems by applying a worldview and methods of dialectical and historical materialism, and adapt our thinking to changing circumstances. In the course of reform and economic development, leading bodies and cadres at all levels need to integrate the Party's line, principles and policies with the actual conditions in their regions or departments. They should intrepidly explore new avenues, boldly experiment, promptly learn from their experience and work creatively.

We must be keenly aware that because modern science and technology are advancing by leaps and bounds and the socialist market economy is constantly expanding, there are many new things that we do not understand and are not familiar with. All of our Party members must regard it as an urgent, long-term task to learn through practice. We need to study not only politics but also economics, advanced managerial expertise, and modern science and culture. We have to strive to gain professional proficiency and hone our working skills.

2. We must build strong leading bodies and train successors to the socialist cause.

In accordance with the principle of making the contingent of cadres more revolutionary, younger, better educated, more competent, and endowed with both professional ability and political integrity, we must help make leading bodies at all levels staunch collectives that are devoted to Marxism and resolutely follow the path of socialism with Chinese characteristics. This is of vital importance for guaranteeing the continuity of the Party's line and the long-term political stability of the country.

In judging the integrity and ability of cadres, we must look primarily at how well they implement the Party's basic line. We need to appoint the right cadres to important positions. These should be persons who firmly implement the basic line, are highly revolutionary and enterprising, and have a strong sense of responsibility in serving the people. They should have made outstanding political achievements in reform, opening up and modernization and gained the trust of the people. We must resolutely replace cadres who are irresponsible or incompetent or have abused their power for personal gain. Those who think only of themselves or seek official positions for purely personal reasons must never be promoted to a position of responsibility. When selecting cadres for promotion, we must follow democratic procedures and the mass line, act strictly in accordance with regulations, and prevent or correct unsound practices.

Selecting a large number of fine young cadres to become leaders at different levels is currently a pressing and important task. To accomplish it we must break with discredited old notions of deferring to seniority and seeking absolute perfection, widen the range of our search, and open up new channels for advancement. We need to nurture young cadres well and impose heavy demands on them. We need to make an effort to foster and promote female cadres and cadres from among ethnic minorities. We must continue the practice of transferring cadres from one position to another as appropriate. We need to strictly enforce the cadre retirement system and continue to replace older cadres with younger ones, while encouraging cooperation between them. We need to take practical measures that manifest our concern for retired cadres, both politically and materially, by giving them some work to do and making arrangements for them to enjoy their golden years.

The consolidation and development of socialism will require hard, persistent, unyielding struggle by one generation after another. The responsibilities are heavy and the road is long, and our hopes must be placed on the shoulders of the young. Only if we can win the youth can we win the future. The Communist Youth League is the Party's helpmate and reserve force; we must take full advantage of it to unite with and educate young people. The entire Party and society as a whole must concern themselves with the healthy growth of our young people. In the process of reform and economic development, we need to work hard to nurture tens of millions of successors to advance the socialist cause.

In the course of our socialist modernization, attempts to bring about

peaceful evolution toward capitalism and the struggle against those attempts will continue for a long time, so we must remain vigilant. Senior Party cadres, in particular, must always bear this in mind.

3. The Party must maintain close ties with the masses and resolutely root out corruption.

The people are the wellspring of our strength, and their support is the basis of our success. The Party's basic line, principles and policies adopted since the Third Plenary Session of the Eleventh Central Committee conform to the interests of the people, and the Party's relations with the people are fundamentally good. But we must also recognize that currently some leading cadres are still bureaucratic or formalistic or exhibit other failings in their work, and that a few Party cadres violate the law and discipline. This seriously tarnishes the reputation of the Party and impairs its relations with the masses.

All Party members should remember that at all times and under all circumstances they must serve the people wholeheartedly, maintain a good work style, integrate theory with practice, forge close ties with the masses and engage in self-criticism. Leading bodies and cadres at all levels need to go down to lower-level organizations to investigate and study matters at first hand and thus learn the wishes of the masses, help alleviate their hardships and heed their criticisms. They also need to reduce the number of meetings they hold and documents they issue, and focus instead on practical work that achieves concrete results. In this way they will be able to advance the fundamental purpose of the Party, maintain a superior work style, and follow the mass line in practice.

The Party needs to strengthen and improve its leadership over trade unions, the Communist Youth League, women's federations and other mass organizations, and encourage them to serve as a bridge linking the Party with the masses.

Determined combat against corruption is an issue crucial for maintaining close ties between the Party and the masses. We all need to be fully aware that this is an urgent, long-term and arduous struggle. Throughout the course of reform and opening up, we need to combat corruption and work hard to improve the Party's work style and uphold integrity. We have to be successful in this if we wish to win the people's trust. Leading bodies and cadres at all levels should set an example by discharging their official duties honestly and diligently for the people. Leading Party cadres, especially high- and middle-ranking ones, must be strict with themselves, set a

good example, educate their offspring well and take the lead in combating corruption. To uphold integrity, we need to rely on education, and even more on the legal system.

Party organizations and discipline inspection agencies at all levels must exercise more effective oversight over Party cadres, and the people, the democratic parties and persons without party affiliation must do the same. We need to institute a sound system whereby persons from both within and without the Party may oversee it, with Party members doing so vertically, both from the top down and from the bottom up. In particular, we need to take effective measures to prevent law enforcement departments and cadres responsible for assigning personnel and apportioning financial and material resources from abusing their power for personal gain or engaging in other undesirable practices. Corruptionists damage the Party and harm the people, so they must all be punished in accordance with the rules of Party discipline and the laws of the state, regardless of who they may be.

4. We need to strengthen primary Party organizations and encourage Party members to play an exemplary, vanguard role.

Primary Party organizations are the locus of all the Party's work and the base of its militancy. Party committees at all levels must implement forceful measures in an attempt to transform primary Party organizations into bastions that can unite with and lead the masses in reform and economic development. In rural areas, we need to do a better job building village-level organizations with Party branches as their nuclei. SOEs need to get their Party organizations to fully play their role as political nuclei, uphold and improve the system whereby factory directors assume full responsibility, and rely wholeheartedly on the working class. Other enterprises need to quickly establish sound Party organizations and work systems in light of their own conditions. In addition, primary Party organizations in government departments, schools, research institutes and urban neighborhoods need to improve themselves in accordance with their particular characteristics. We need to give high priority to recruiting into the Party excellent workers, farmers and intellectuals working in the forefront of production. Some primary Party organizations are weak at present, so Party committees at the next higher level should detail cadres there to help strengthen them.

The new historical period places new demands on Party members to serve as role models. It is therefore essential to educate and supervise them

more effectively, increase their ability and cultivate their Party spirit. Our goal is to turn them into advanced individuals who faithfully carry out the Party's basic line; devote themselves to reform, opening up and modernization; work heart and soul in the interests of the people; and lead the masses in contributing to economic development and social progress. All Party members should be urged to emancipate their minds, develop a spirit of reform and innovation, respect science and do practical work. They should take the overall situation into consideration, unite and coordinate their efforts, be modest and prudent, learn from people more advanced than them, and work hard to contribute and attain goals without considering their own personal interests. In this way, Party members can fully put their advanced nature into practice in furthering socialist material, cultural and ethical progress.

5. We must uphold and improve democratic centralism and safeguard Party solidarity and unity.

Modernization, reform and opening up are grand and arduous undertakings. Only by combining centralism based on democracy with democracy under centralized guidance can we enable Party organizations at all levels and Party members to seize the initiative and be creative. This is the only way we can pool the wisdom of the entire Party membership, guarantee that the Party's policy decisions are correct and executed effectively, and strengthen the Party's discipline and combat capacity, so as to smoothly advance our cause.

We need to enhance intra-Party democracy and institute more systems as necessary to protect the democratic rights of all Party organizations and members. Channels for intra-Party democracy must be unclogged and widened so that Party organizations will be promptly informed of the opinions, suggestions and criticisms of their Party members. In intra-Party activities, we need to carry on the fine tradition of speaking the truth and matching our deeds to our words. We also need to support and encourage Party members to express their views in accordance with their right to do so as set forth in the Party Constitution. We must identify and deal with everyone involved in all cases of infringement upon the democratic rights of Party members, suppression of their criticism, retaliation against those who dare to criticize them, or false accusation of others.

Party committees at all levels must maintain and strengthen the Party's collective leadership. When Party members have differing views, they may hold onto them, but they must abide by collective decisions. We must see

to it that the organizational principle of the Party is adhered to — the principle that individual Party members are subordinate to the organization, the minority is subordinate to the majority, lower Party organizations are subordinate to higher ones, and all the constituent organizations and members of the Party are subordinate to the National Congress and the Central Committee. We cannot tolerate liberalism or any defiance of organization and discipline, such as acting in disregard of orders and prohibitions and everyone doing things their own way. We must tighten Party discipline and keep a constant watch on the way it is maintained. All Party members are equal before Party discipline; anyone who violates it must be subject to disciplinary measures. Our objective is, as always, to create a political situation in which there are both centralism and democracy, both discipline and freedom, both unity of will and personal ease of mind and liveliness.

The Party's unity is its life. At this critical time when we need to speed up reform, opening up and modernization, it is particularly important for all Party members to close ranks on the basis of the Party's basic line. All Party members, especially leading cadres, should make a conscious effort to safeguard Party unity and the authority of the Central Committee. They must all be in agreement with the Central Committee on ideological and political matters. We must never permit anyone to attempt to undermine or split the Party. Both the central and local committees should hold intra-Party meetings regularly. Members of leading bodies need to trust, support and understand each other and engage in criticism and self-criticism. They need to cooperate with each other to make their work a success. Leading cadres at all levels need to set a good example by adhering to principle, observing strict discipline, protecting the interests of the Party as a whole and strengthening unity. So long as the Party remains vigorous and united in its struggle, the triumph of our cause is guaranteed.

To strengthen Party building and improve Party leadership, the Thirteenth Central Committee has presented to this congress the draft of an amended Constitution of the CPC for its deliberation. This draft incorporates the theory of building socialism with Chinese characteristics and the Party's basic line into the Constitution. This is of great importance to ensure that there is unity of understanding and action throughout the Party, and that we continue our advance along the path to socialism with Chinese characteristics.

Since its founding ten years ago, the Central Advisory Commission has done much fruitful work in assisting the Central Committee in

preserving Party unity; safeguarding social stability; and promoting reform, opening up and modernization, thus making historic, meritorious achievements that benefit the Party, the state and the people. The Central Advisory Commission has presented to this congress a motion that it be disbanded as of this congress.

Comrades,

Reunifying the motherland is in the fundamental interest of the Chinese nation, and it is the common aspiration of all Chinese people, including our compatriots in Taiwan, Hong Kong and Macao as well as overseas Chinese. We will work steadfastly to further this great cause, adhering to the principle of "peaceful reunification and one country, two systems." The Chinese government will continue to cooperate with the British and Portuguese governments to ensure that the transitions in Hong Kong and Macao proceed smoothly and that the two regions enjoy long-term stability and prosperity. Taiwan is an integral part of the sacred territory of China. We strongly oppose the notions of "two Chinas," "one China, one Taiwan," and "one country, two governments" in any form and any acts calculated to bring about the independence of Taiwan. We will continue to work for direct mail, transport, and trade links across the Taiwan Straits and to promote cross-Straits visits by private individuals and cooperation in various fields. In particular, we will work for greatly expanded economic cooperation across the Straits in an effort to revitalize the economy of the nation as a whole.

We reaffirm that the CPC is ready to engage with the KMT at the earliest possible date to create conditions for talks on officially ending the state of hostilities across the Straits and gradually achieving peaceful reunification. Other parties, organizations and representative individuals from all walks of life on both sides of the Straits could be invited to join in such talks. Assuming the premise that there is only one China, we are prepared to talk with the Taiwan authorities about any matter, including what form official negotiations should take, in order to find an accommodation that is acceptable to both sides. We hope that the Taiwan authorities will comply with the wishes of the people and remove the artificial impediments that obstruct the reunification of the motherland, in order to enable cross-Straits relations to transit to a new level of progress.

Comrades,

Socialism is a completely new social system in the history of mankind. It is an inevitability that it will supplant capitalism; this is the general trend of social and historical development. Any new social system, as it is generated, consolidated and developed, invariably follows a tortuous course involving a succession of struggles and sacrifices, victories and setbacks. Communists and the masses will surely be tempered in this process, draw lessons from the experience and push socialism in a healthy direction of development. Socialism is flourishing in China thanks to the united efforts of all the Party members and the people of all our ethnic groups. China is a vast country with 1.1 billion people, and the CPC is a grand party with 50 million members. There is no doubt that the vigorous development of socialism with Chinese characteristics will make an important contribution to socialism and to human progress worldwide.

The period between now and the middle of the next century will be a most important and invaluable period for making our motherland prosperous and advancing socialism. We have difficult tasks to accomplish, and we are burdened with heavy responsibilities. In the 1990s, we must establish the basic framework of a new economic system and attain the objective for the second step of the strategic plan for national economic and social development: a moderately prosperous life for all of our people. In another 20 years, at the centenary of the founding of the Party, a complete set of more mature and complete management systems will have taken shape in every field. By the middle of the next century, at the centenary of the founding of the People's Republic, we will attain the objective for the third step: the basic completion of socialist modernization. All Party members and the people of all our ethnic groups must unite more closely under the leadership of the Central Committee. Heart to heart, breathing in unison and sharing a common destiny, we must hold high the great banner of building socialism with Chinese characteristics and forge ahead courageously toward these magnificent objectives!

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[1] "Theoretical Work Needs to Be Oriented Toward Reality," note 3, p. 32, this volume.

[2] The Non-aligned Movement was launched against the international background of the Cold War by a number of countries, principally in Asia, Africa and Latin America, to avoid being drawn into the confrontation between the American and Soviet blocs and to play an independent role in international affairs. The first summit conference of non-aligned states was held in Belgrade, Yugoslavia in September 1961 at the suggestion of Yugoslavia, the United Arab Emirates, India, Indonesia and others. There were 25 countries represented at the conference, where the Non-aligned Movement was officially

formed. The movement advocated independence and non-alignment; supported national liberation movements; opposed imperialism, colonialism, racism, hegemonism and power politics; and called for strengthening solidarity, developing South-South cooperation, and the creation of a new international order that is peaceful, equitable and democratic. The movement currently has more than 110 members, all of which are developing countries. It holds regular summit meetings once every three years at which the international situation and regional conflicts are discussed, standpoints are coordinated and resolutions are passed. China attaches great importance to developing and strengthening its ties to the Non-aligned Movement and supports its members' reasonable standpoints and just causes, and it has been an observer country at the movement since September 1992.

[3]The Group of 77 is an international organization created by developing countries to safeguard their self-interests and change the inequitable world economic order. The first session of the United Nations Conference on Trade and Development was held in Geneva, Switzerland from March 23 to June 16, 1964. On June 15, 77 developing countries and regions attending the conference issued a joint declaration advocating increasing the contacts and consultations amongst themselves to determine common economic and trade goals, formulate joint programs of action, adopt tactics for collective bargaining, strengthen the negotiating position of developing countries and promote the creation of a new world economic order. From then on, these countries and regions have participated in negotiations of the United Nations Conference on Trade and Development as a group. Thereafter, the number of member countries in the group has constantly increased. The group now has more than 130 members, but still retains the name Group of 77. In 1981, China began participating in the group's ministerial-level meetings and consultations in the capacity of an invited guest.

CONSTANTLY INNOVATE AND KEEP UP WITH THE TIMES*

October 19, 1992

The key to unwaveringly adhering to the Party's basic line is to steadfastly take economic development as our central task. The test for every member of this Fourteenth Central Committee will be whether we can always perform this central task well or not. During the past 14 years, the international situation has been buffeted by winds and waves, and our domestic situation has not been calm and tranquil either. However, Comrade Deng Xiaoping, with his abundant historical experience and political wisdom, has always calmly and correctly dealt with international and domestic issues, thus ensuring that the work of the Party and state has always remained fixed on the central task of economic development. The world situation is extremely intricate, complex and in constant flux, and it is thus impossible to anticipate every contingency, so it is quite possible for all kinds of problems to arise in the future, but we will still hold to the principle of observing calmly and responding coolly. In other words, we will "sit tight in the fishing boat despite the rising wind and waves." We need to solve problems as they arise on the basis of actual circumstances. We must not let our solutions to any problems impact the central task of economic development, and all our solutions must create more advantageous conditions for concentrating on economic development. We must take this as an unalterable principle.

Encouraged by and following the guiding principles of Comrade Deng's important talks during his inspection tour of the south and of the plenary meeting of the Political Bureau of the Central Committee, we have picked up the pace of reform, opening up and economic development throughout the country since the beginning of this year. We need to work hard to maintain and develop this favorable trend. We need to boldly and energetically do all of the work that comports with the guiding principles of the Fourteenth National Congress of the CPC. In the course of so doing, we need to pay close attention to investigating and resolving a number of deep-seated problems, as well as some that have recently surfaced,

* Excerpt from a speech at the First Plenary Session of the Fourteenth Central Committee.

such as redundant construction, reckless launching of new projects, over-diversification of operations, and considering only output value and production targets without regard to quality or profits. These problems have plagued our economic life for a long time and, if not suitably resolved, will make it hard for the favorable trend in accelerating reform, opening up and economic development to last. We will continue to work hard on reform and use it to stimulate economic development. We have already made it clear that we need to establish a socialist market economy. This requires us to make a corresponding, massive transformation in our thinking practices, management system and leadership methods. Many of our past practices and know-how have already become obsolete; therefore, we need to reeducate ourselves to deal with new realities, constantly innovate and keep up with the times.

We must properly balance upholding the Four Cardinal Principles and adhering to the reform and opening up policy, and balance material progress and cultural and ethical progress, ensuring in both cases that equal importance is attached to both factors. This will likewise test every member of our Fourteenth Central Committee. Irrespective of whether we are upholding the Four Cardinal Principles, adhering to the reform and opening up policy, or doing any other work, we must always focus on the central task of economic development, consciously subordinating ourselves to it and serving it. In this regard, we have past experience of successes and past lessons of failures. Without the assurances and supporting services provided by activities in other areas, it will become difficult to keep economic development as our central task. For example, if social order and public security are in such a poor state that people lack a sense of security, how can they concentrate their energy on economic development? From now on, whenever we discover a weak link or a problem arises, we must promptly and resolutely organize our forces to resolve such matter. We need to boldly and confidently do all of our work that promotes economic development and overall social progress.

GIVE HIGH PRIORITY TO PROBLEMS FACING AGRICULTURE, RURAL AREAS AND FARMERS*

December 25, 1992

The purpose of my trip here is to study the problems facing agriculture and rural areas. The Central Committee has always given high priority to these issues. Shortly after its Fourth Plenary Session, the Thirteenth Central Committee convened a forum on rural work. At its Eighth Plenary Session late last year, it adopted a decision to further strengthen agriculture and rural work. More than a month has passed since the Fourteenth National Congress of the CPC, and the Central Committee is now giving agriculture an important position on the agenda, and has designated it as the first major project for implementing the guiding principles of the Fourteenth Congress. Why? First, because the position and role of agriculture and rural work are so important, and second, because a number of new situations and problems affecting agricultural and rural development have recently arisen, which the entire Party needs to take very seriously.

In the course of both investigations and discussions, we have agreed that the current overall situation in agricultural and rural development is good, but that many prominent problems persist. We must clearly and sufficiently understand these problems and must not take them lightly. We can completely solve these problems as long as all Party members from top to bottom recognize their importance and work together. Then prospects are bright for the rural economy to reach a new level.

I. Firmly Adhere to the View That Agriculture Is the Foundation and Effectively Strengthen Agriculture and Rural Work

China is a vast country with a large population, 73% of whom live in the countryside. There are many sayings from our history that attest to the importance of agriculture, for example: "Food is the first necessity of man," "When hands are filled with grain, then hearts are freed from fear," and "If people have adequate food and clothing, they will be at peace." If

* Speech at a forum in Wuhan on agricultural and rural work in Anhui, Jiangxi, Henan, Hubei, Hunan and Sichuan provinces.

agriculture continues to develop, farmers' enthusiasm increases and everyone has enough to eat, then affairs of state and society will all run smoothly. This is one of the basic lessons we have learned in ruling the country.

Agriculture is the foundation of the national economy, and rural stability is the foundation of the stability of our society as a whole. The issue of farmers has always been a fundamental issue affecting China's revolution, construction and reform. This is the important guiding ideology formulated by our Party through long experience for tackling the issues associated with agriculture, rural areas and farmers. Party committees at all levels, all Party members, and departments in charge of agriculture and rural work, as well as other departments, must never under any circumstances forget this important guiding ideology, and they must unswervingly implement it throughout the course of our country's socialist modernization without the least letup. I believe that by the middle of the next century, after we have basically completed modernization and learned the lessons from a long period of practice, this guiding ideology will be even more firmly embedded in the minds of cadres and the masses.

The principle that agriculture is the foundation is a basic tenet of Marxism and accords with China's basic conditions. Marx said that people need to solve the problems of food, clothing, housing and transportation before they can turn their attention to other matters. Ensuring that they have the most basic means of livelihood is a prerequisite and foundation for people to engage in other social programs and creative labor. The fundamental task of developing agriculture is to constantly provide people with the basic means of livelihood. Our country has a large population and little arable land. We need to feed 22% of the world's population with 7% of its arable land. No other country in the world is faced with such a situation. We cannot rely on any other country to solve the problem of feeding our people, first, because it is precarious to rely on others and no one else can solve such a big problem, and second, because even if they could solve it, letting them do so would place us under their control. However, importing and exporting some quantities of food to optimize our food mix or for other purposes every year is another matter entirely. In our country, important agricultural products, and especially grain, have always been uniquely strategic commodities that have a direct impact on the security of the people and the state. It can definitely be stated that without a solid agricultural foundation, China cannot be independent; without agricultural surpluses and the support of agriculture, we cannot

develop our industry; without all-round rural progress, we cannot achieve all-round social progress; without stability in rural areas, we cannot maintain the stability of our society as a whole; if rural people do not enjoy moderate prosperity, then it will not be possible for everyone in the country to have moderate prosperity; and if agriculture does not modernize, it will not be possible for the national economy as a whole to modernize. In short, the position and strategic role of agriculture as the foundation of China's economic and social development can never be overlooked, but must only be strengthened, never weakened.

Those of us working in the Central Committee and central government often study and ponder crucial economic issues, with agricultural issues being first and foremost among these. We must have a comprehensive and realistic understanding of these issues. Over the past 14 years of reform and opening up, agriculture and rural areas have developed very quickly and achieved great success. However, we must not overestimate the strength of agriculture and the rural economy or the prosperity and tolerance of the rural population, and we must pay attention to disparities between regions and between individual households. Disparities and conflicts are an inherent aspect of every society in the world. Generally speaking, the material and technological foundation of our agriculture is relatively fragile, while the burden on agriculture grows every year as the population expands and the standard of living rises, so we must increase our support several-fold. In times of bumper harvests, the supply of some agricultural products exceeds demand, and farmers therefore have trouble selling them. This is the result of a complex situation in which consumption levels are too low, product mixes are unsuitable, channels for goods are impeded, processing capability is weak and storage capacity is insufficient. This situation reflects a temporary disequilibrium and does not indicate a genuine excess of agricultural products. For a long time to come, we will be unable to say that our grain supply is sufficient, that we have more than enough to eat and that our agricultural problems are behind us. Not only will we not be able to say that for the rest of this decade, but for the first 50 years of the next century we cannot lightly make such a statement. Our country's present per capita grain production falls short of 400 kilograms, and even if our total grain production reaches 500 billion kilograms by the end of the century, our population by that time will have swelled to 1.3 billion and our per capita grain production will still be less than 400 kilograms. This level is not only far below that of developed countries, but also far beneath that of

a number of developing countries. In 1990, per capita grain production in France was 1,121 kilograms, in Canada 2,180, the United States 1,299, and Turkey 637 — all much higher than ours. After we achieve basic modernization, agriculture's position as the foundation of the national economy will not change and agricultural issues will remain important. Our Party has long paid the utmost attention to agriculture and repeatedly stressed that agriculture is the foundation of the national economy and that grain forms the bedrock on which that foundation rests. Now and in the future, we still need to infuse this awareness into the minds of all our people and into every household. Party newspapers, magazines and other instruments of public opinion need to place great emphasis on this, and Party committees at all levels need to regularly carry out education about this for cadres and the masses.

Historical facts teach us that whenever our Party handles farmers' issues well; adopts correct policies; safeguards farmers' interests; and arouses their enthusiasm, initiative and creativity, the worker-farmer alliance becomes stronger and revolution, construction and reform proceed smoothly and progress vigorously. During the democratic revolution, our Party fought in rural areas for a long time, relied heavily on the participation and support of peasants, and ultimately prevailed in the new-democratic revolution by taking the path of encircling the cities from rural areas. Today, as we engage in reform, opening up and socialist modernization, we stand in ever greater need of widespread participation by and support from the rural population, and it is thus even more necessary for us to make full use of their enthusiasm, initiative and creativity and to constantly consolidate and expand the worker-farmer alliance. Otherwise, achieving victory in reform, opening up and socialist modernization will be impossible. The novel and magnificent experience we have undergone over the past 14 years fully confirms this point.

Historical facts teach us that whenever we attend closely to agriculture and rural work, agriculture and the rural economy are in good shape, the entire national economy experiences steady, balanced growth, and the country and people enjoy relatively good times. After the Third Plenary Session of the Eleventh Central Committee, the household contract system with remuneration linked to output was instituted in rural areas; this further liberated rural productive forces and stimulated an unprecedented growth of agriculture and the rural economy. The extensive development of agriculture and the rural economy has in turn boosted the entire nation-

al economy to a much higher level, and the great success of rural reform has spurred the all-round progress and broad development of economic reforms as a whole.

Historical facts also teach us that whenever we neglect farmers' interests and pay insufficient attention to agriculture and rural work, agriculture and the rural economy slump, the entire national economy is unstable or even mired in difficulties, and the country and people experience difficulties. When agriculture and the rural economy are in good shape, it is easy for us to stop paying attention to them and become lax in our work concerning them. We need to pay attention to this problem. Why is it easy for this kind of problem to arise? From the perspective of how people think, it arises from one-sided metaphysical thinking in which too much attention is paid to positive aspects and too little to problems. If we do not maintain a vigilant watch for new conflicts and problems lurking at the heart of a positive situation, one type of trend may conceal another. It is well worthwhile to bear such historical lessons in mind. All Party members, especially high- and mid-ranking cadres, must learn from these lessons and take them to heart.

At present, the central leadership believes that it is necessary to promptly admonish (or perhaps I should say sound the alarm to) leading Party and government cadres at all levels regarding problems in agriculture and rural work. The entire Party from top to bottom must bear in mind the historical lesson that we ignore agriculture at our peril, and must never forget the pain even after the scars have healed. We must further rouse ourselves, get moving, and genuinely emphasize and effectively strengthen agriculture and rural work in accordance with the guiding principles of the Fourteenth Congress and the Eighth Plenary Session of the Thirteenth Central Committee.

Why are we stressing this now? Principally due to the following circumstances. First, after a succession of good harvests and the recent progress of reform and opening up, a number of localities have begun to neglect agriculture and relax their vigilance. Second, as the pace of economic development has quickened, Party and government leaders in many places have turned their attention to their urban economies. I am not saying that urban industry and tertiary production do not require their attention; they are very important, and those leaders are right to work hard on them. Rather, I am saying that comparatively speaking, they are paying less attention to agriculture and putting less effort into their rural work, and primary-

level rural cadres and residents have reacted strongly against this. Third, there are presently a number of significant problems widespread throughout rural areas that are detrimental to farmers' interests and dampen their enthusiasm for production. If we do not conscientiously solve them, there exists the danger that agricultural production will decline. Fourth, there are a number of factors inhibiting agricultural development that not only presently exist, but will continue to do so long into the future. For example, the country's net annual population increase is between 15 and 16 million people, and our arable land is shrinking by more than 266,000 hectares per year. It will be difficult to reverse these trends anytime soon, and we cannot underestimate the extent to which they inhibit agricultural development.

After deliberating the above situation, the central leadership concluded that Party committees and governments at all levels should immediately intensify their investigations and studies concerning agriculture and rural work, clarify their understanding, achieve consensus, and promptly solve a number of important solvable problems that rural residents urgently demand be solved. They should also guide, protect and encourage farmers' enthusiasm to grow grain and other crops, and strive to raise China's agriculture and rural economy to a new level by the end of the century.

II. Effectively Safeguard Farmers' Interests and Rouse Their Enthusiasm for Production

This year was the fourth consecutive year in which we have had a bumper crop, beginning in 1989. Throughout the country, there are ample supplies of all kinds of agricultural products, with markets flourishing and large stocks in storage, and the general trend in agriculture and the rural economy is good. However, we have learned from reports and investigations in various localities of a number of problems in rural areas that must be solved. What rural residents most want now is for the Party and government to support them in further invigorating agribusiness, and guide them in making the transition to the new world of the socialist market economy, quickly shaking off poverty and achieving moderate prosperity. Their greatest concern is that some rural policies and measures to support agriculture are not being implemented or are falling short of full implementation. The greatest cause of dissatisfaction is that authorities from all quarters are stretching out their hands to rural areas in order to squeeze agriculture and gouge farmers, thus impairing their economic interests and

dampening their enthusiasm. The situation is basically clear, and the key is to coordinate efforts from top to bottom and resolutely adopt measures to solve this problem. If we are slow in seeing problems and responding, we will lose the initiative and might even end up with irreparable damage. We have had such lessons in the past.

The main reason for convening this forum on agriculture and rural work is that, in the new situation in which reform and opening up are accelerating, China's rural economy is dynamic and we have had several consecutive bumper harvests, and during the critical period in which our economy is gradually making the transition to a socialist market economy, we must comprehensively and correctly assess agriculture and rural work, conscientiously review our experience, continue to make full use of our strengths, fully acknowledge the difficulties and problems that exist, promptly and resolutely take proper steps to deal with them, solve existing problems and problems that might arise in the initial phase, and firmly grasp the initiative in guiding rural work.

Concerning the current pressing problems in agriculture and rural work that we must solve, the central leadership is in the process of formulating specific measures and methods. Today I will just make some comments about matters of orientation and principle.

First, agricultural commodities, and especially grain, are difficult to sell and command a low price, and the problem of payment in IOUs is very serious. These problems are farmers' greatest complaints because they directly affect their incomes, and therefore the arrangements they make for living and the coming spring plowing. Relevant departments of the central leadership and governments at all levels must work closely together to do everything possible to make sure that farmers receive payment in full for grain and cotton they sold no later than the coming Spring Festival. If farmers in commodity-grain-producing areas have excess grain to sell, we need to raise the grain storage quota and promptly buy it at support prices.

Second, some preferential policies to benefit farmers are not being implemented, so farmers do not obtain the benefits they are entitled to. Governments at all levels and relevant departments must ensure that farmers receive all the preferential treatment, including the "three couplings"[1] as specified in their grain sales contracts, and that payment reaches farmers' hands. No deductions or payment deferrals will be permitted, and no withholding, diversion or misappropriation of funds will be tolerated. After loosening controls on grain sales, we will establish a reasonable, practicable

procedure as soon as possible and promulgate and implement it in accordance with the principle of giving consideration to the interests of grain producers and to the financial difficulties of commercial grain production and distribution areas.

Third, the practice of concocting all sorts of pretexts to add to the burden on farmers is endemic, and it makes farmers very angry. We have always followed a policy of taxing agriculture lightly, and actual agricultural taxes presently stand at only 2.9% of agricultural income. State regulations mandate that actual assessments on farmers' incomes by village and township authorities in their jurisdiction may be no more than 5% of the farmers' previous year's per capita net income. In addition, there are clear regulations on farmers' contracting for land and providing unpaid labor on public projects. The present problem is that, in many regions, these regulations are neither strictly observed nor enforced. In addition to fully meeting all their required obligations, farmers in these regions are all burdened beyond endurance with the imposition of excess taxes, unauthorized pooling of funds, and arbitrary imposition of an array of fees and fines under various pretexts, as well as the obligation to participate in endless activities to meet a variety of so-called standards. Therefore, I must reiterate that relevant departments of the central leadership and local governments at all levels must strictly enforce the state's policies and regulations. No organization may increase the burden on farmers for any reason whatsoever, and village and township authorities must fix their assessments on farmers at no more than 5% of the previous year's per capita net income of their area's farmers. Even when undertaking rural public service projects, local governments must strictly adhere to two principles when requesting rural residents to contribute money or labor: they must always act within their capabilities, and participation by the masses must be voluntary. Prior to undertaking any projects that require approval in accordance with regulations promulgated by the State Council, local governments must first apply for and receive permission from the government at the provincial or higher level. I hope that relevant departments of the central leadership and the principal Party and government leaders of provinces, autonomous regions and municipalities directly under the central government will assume responsibility for conducting a thorough review of the burdens on farmers in the near future, screen their documents concerning farmers and revoke all those that are not in compliance with the regulations of the central leadership. Anyone who ignores orders or prohibitions or violates the law or

discipline must be severely dealt with in accordance with the law and Party and government discipline.

Fourth, in some areas there is a rush to build development zones and real estate projects. Most of the comrades in these areas are well intentioned and merely wish to develop their economies a little more quickly, but they forget that they must be realistic in emancipating their minds. I am not saying development zones or real estate projects should not be undertaken, but I am saying they should not be undertaken recklessly without considering the circumstances, but only if there is a need for them and the capacity to carry them out. Heedless haste runs counter to the guiding principles of Comrade Deng Xiaoping's important talks on his inspection tour of the south and of the Fourteenth Congress, as well as the objective laws of economic development. If we do not promptly start solving this problem, not only will it be difficult to continue, but this situation will also have many detrimental effects on our economic life. For example, we already observe a situation in which some areas have so many development zones under construction that there is not sufficient funding available. So what do they do? They come up with all kinds of measures to raise money outside the state plan greatly in excess of what they can repay. This affects the normal growth of bank deposits, which in turn makes it difficult to obtain the funds needed to purchase local farmers' agricultural and sideline products. This is just one detrimental result. At the beginning of the 1980s, I participated in the preparatory work for the establishment of SEZs. In order to understand the state, methods and experiences of other countries' SEZs and development zones, I visited a number of countries on a trip that lasted nearly 50 days. Not only are foreign countries quite cautious when setting up economic development zones, but they also do very meticulous planning; this is very different from the way many places in China are now doing things. To set up a development zone, you must at minimum meet a number of conditions and follow certain procedures: 1) you must carry out a feasibility study; 2) you must have investment projects; 3) you must have a master plan; and 4) you need to proceed gradually — Rome wasn't built in a day. According to a survey the State Bureau of Land Administration conducted in 24 provinces, autonomous regions and municipalities directly under the central government, there were 1,951 development zones approved between January and September of this year, covering a total area of 15,300 square kilometers or almost 1.53 million hectares, among which over 80% was arable land with good transportation

links and water supplies. At present, although the state is strictly limiting the conversion of arable land, it is shrinking by about 267,000 hectares a year. If we lose control of arable-land conversion, this will undermine the very basis upon which our agriculture rests. This trend must not continue! The state has strict regulations on approving land conversion. We must promptly investigate this problem, adopt a new decision for strictly controlling the conversion of arable land, and order that it be followed.

The above problems not only directly affect the vital interests of farmers, but also have a direct bearing on whether overall agricultural production can remain stable and whether farmers remain willing to farm, so all Party members should be very concerned about them. Party committees and governments at all levels must act promptly and adopt effective measures to solve them as soon as possible, and they must not wrangle over details, shirk their responsibilities or procrastinate.

In addition, there are a number of major problems concerning the sustainability of agricultural development and farmers' long-term interests that we must conscientiously and comprehensively study and promptly devise practical ways of solving.

First is the problem of ensuring that agricultural investment steadily rises. You comrades have made many comments, requests and proposals in this regard, and after I return to Beijing I will report them to the Political Bureau of the Central Committee and its Standing Committee and suggest to the State Council that it consider them in drawing up long-range programs and annual plans. The draft of the Agricultural Law has already given consideration to this problem. After the Agricultural Law is deliberated and passed, it will still be necessary to formulate a series of specific methods for implementing it and measures for ensuring its implementation.

Second is the problem of reducing the price scissors between industrial and agricultural products. These price scissors are further widening. This is a complex problem with broad implications. Our economy is in the initial stage of the transformation from a planned economy to a socialist market economy, our macro guidance and controls are inadequate for the time being, and many economic reform measures are deficient, and all of this gives rise to a number of new conflicts between industrial and agricultural production. We must first take a number of emergency steps to alleviate this situation, and then adopt measures to gradually solve the problem by raising profitability and lowering costs in industry and agriculture, infusing

vitality into the flow of goods between town and country, and adjusting the price system.

Third is the problem of preserving the economic interests of grain and cotton farmers and the main grain- and cotton-producing areas. For a long time, these areas have borne the heavy burden of providing grain, meat and industrial raw materials such as cotton to the whole country, especially large and medium-sized cities. They have made a great contribution, but never received any significant economic benefit from so doing, a circumstance hardly conducive to arousing the enthusiasm of the areas' farmers for production or promoting stable growth in the production of grain, cotton and other widely used agricultural products. If production in these primary grain- and cotton-producing areas declines and they become mired in economic difficulties, this will affect the vital interests not only of local residents, but also of everyone in the country. Therefore, the state should adopt policies that provide support to these areas, and give them the preferential treatment and protection they need. In addition, the main grain- and cotton-producing and grain- and cotton-consuming areas should in principle share benefits while jointly assuming risks. We must quickly create a set of macro guidance and control procedures ranging from production to purchase, and including marketing, storage and transport of grain and cotton.

In short, the better the agricultural situation becomes, the more important it is for us to keep a clear head, adroitly analyze individual details in order to understand the whole picture, proactively adopt preemptive precautions, and astutely observe and discover new situations and emerging trends, while dealing with them decisively and promptly. We must constantly increase our foresight and maintain the initiative in our rural work. Agriculture is the basic industry; it is a relatively weak industry that makes great contributions to society but receives little economic benefit in return, and we can thus never allow ourselves to treat the matter lightly. Comrade Deng long ago warned that if economic problems were to arise in the 1990s, it is quite likely that it would be in agriculture, and that if they were to remain unresolved for a number of years, they would have a severe impact on overall economic and social development. He said this on the basis of many years' experience, and in all sincerity. Party committees at all levels and all Party members must bear this firmly in mind, redouble their work efforts, do practical things that benefit farmers, genuinely protect famers' interests and spur their enthusiasm for production, in order to ensure that

agriculture and the rural economy steadily develop.

According to forecasts, it is possible that the acreage devoted to crops, particularly grain, will decrease dramatically next year, as will spending on agricultural production. All localities must monitor this situation closely, focus on the big picture, do all their work well, and properly manage the direction and intensity of adjustment of the structure of agricultural production and the mix of agricultural products. They must work hard between now and the end of Spring Festival to stimulate farmers' enthusiasm for spring plowing, and make good arrangements for the supply of seeds and other means of agricultural production and for all production conditions. Ensuring that spring plowing and sowing go smoothly is of great significance for the entire year's agricultural development, as well as development of the national economy as a whole. I hope that everyone will work together and continue to make new contributions to the stable development of grain and cotton production and the all-round development of the rural economy.

III. Vigorously Develop the Socialist Market Economy and Constantly Strengthen Our Macro-Control Capability

At its Fourteenth Congress, the Party set forth the reform objective of establishing a socialist market economy. Actively searching for specific ways to create a socialist market economy in rural areas and further liberating and developing rural productive forces is a step we must take to raise our rural population's living standard to the level of moderate prosperity and modernize agriculture. This presents an important new task the Party faces in its rural work.

Generally speaking, in developing the socialist market economy in rural areas, we must maintain a market orientation; fully exploit all resources, including manpower and land; and promote all-round development of farming, forestry, animal husbandry, sideline production and fisheries. We must also comprehensively develop primary, secondary and tertiary industries; integrate science, trade, industry and agriculture; make full use of the numerous newly emerging towns scattered throughout the countryside to create a new vista dominated by big producers, distributors and markets; raise all-round agricultural economic performance and overall production capability; and take the path of creating a new socialist countryside with Chinese characteristics. All of this is symbolic of a new stage in rural reform.

First, we must solve the problems in our pricing policy for agricultural goods. This is the key to deepening rural reform. The general trend must be to loosen control over prices and operations, create market mechanisms for setting prices, straighten out price relationships, incorporate the role and obey the dictates of the law of value, stimulate the development of agricultural products and optimization of the product mix, and ensure that market competition and incentives can play an effective role. After 14 years of reform and opening up, controls over the overwhelming majority of agricultural and sideline products have already been lifted. At present, there are only a few agricultural products for which we have not relaxed price controls: four main types of grain and legumes (rice, wheat and corn, and soybeans produced in primary soybean-producing areas), cotton, and oil and sugar crops. Price reform requires conscientiously making vigorous yet steady progress. Price controls over grains and legumes will ease in succession throughout the country on the basis of the principles of following a uniform policy, guiding prices for each type of product in each province separately, and making gradual progress. All price controls on edible oil will end this winter or next year. The State Council has already decided to set up markets and pilot projects in a number of main cotton-producing provinces. After controls on prices and operations end, we need to closely watch price disparities between regions, seasons and crop varieties, and ensure prices actively stimulate production and guide consumption.

Second, we must accelerate development toward high-yield, high-quality and high-efficiency agriculture. Market demand must determine which agricultural products are produced. We need to carefully adjust the mix of agricultural products, improve crop varieties and enhance quality. We need to take special care to integrate agriculture with science and technology because putting scientific results into production can frequently bring prosperity to a large region or an industry and greatly raise the level of productivity. For example, comprehensive use of straw and ammoniated cattle feed has a significant effect in increasing production and farmers' incomes, while preserving the environment. In the course of adjusting the mix of agricultural products, we must pay close attention to the need to increase production of important crops such as grain and cotton in order to maintain an equilibrium between total supply and total demand and prevent large fluctuations.

Third, we must unremittingly develop township and village enterprises. Their development must coincide with that of new socialist towns. This is

an important matter with strategic significance. China has more than 800 million rural residents, and if all the surplus rural laborers go to the cities, it will be impossible for the cities to absorb them all. Since the beginning of reform and opening up, all localities have striven to develop township and village enterprises, and they have absorbed a large quantity of surplus rural labor. This is a great innovation of China's rural residents and an important avenue for solving the problem of employing surplus rural laborers; it thus has great significance for maintaining stability in rural areas and in society as a whole. Rural surplus labor can be absorbed locally by deepening and expanding agriculture and the rural economy and by developing township and village enterprises and rural tertiary industries. We need to adhere to this principle for a long time without vacillating. The development of township and village enterprises needs to be integrated with the creation of a new kind of towns. These enterprises need to be appropriately concentrated in the new towns and be of high level and high grade in order to turn the towns into economic and cultural centers for the surrounding countryside and entrepots for the transshipment of goods.

Fourth, we must give full rein to the role of the distribution of goods. We need to create a distribution network that has multiple channels, few links, few restrictions and high efficiency to facilitate sales and transport of agricultural products. We need to support and encourage rural residents' participation in distribution of agricultural products, and get them to be an important force. We also need to mobilize self-employed vendors and privately owned businesses to become actively involved in distribution. State-owned grain enterprises and rural cooperative businesses must serve as the primary channels for the distribution of goods in rural areas, adapt to the new conditions of reform and opening up, actively change their business models, develop economic ties with farmers and self-employed vendors, strengthen economic cooperation, unclog distribution channels, and facilitate the free flow of goods between town and country. When we relax control over management of agricultural products, we must not let the major channels for the distribution of commodities crucial for the national economy and people's lives, like grain, decline or let the grain service system fall into disorder. We have learned from many years of experience that without major channels there is no stability, and that without multiple channels there is no viability.

Fifth, we must strengthen macro-control. Deregulating prices and relaxing controls over management does not mean adopting a laissez-faire

policy. The socialist market economy is developing under macro guidance by the state with public ownership being dominant. We must strengthen macro-control during the course of creating sound market mechanisms and relaxing controls over management. It is a misconception and an error to think that in a socialist market economy people have total freedom to do whatever they please without restrictions. Capitalist market economies also have government intervention and macro-control. In the world today, there is no such thing as a market economy that is 100% free. After we deregulate prices and relax controls over agricultural markets, we must energetically strengthen the country's macro-control system. This system must be able to naturally employ the law of value and the state's economic levers and power to provide powerful, correct and effective guidance and control of market activities, and be able to regulate the economic behavior of all of society and the activities of the market. We must particularly impose scientific controls on important agricultural products such as grain, cotton, and oil and sugar crops. In addition to using the economic levers of taxation, credit, and public finance, we also need to effectively strengthen the following systems.

1) We need to establish a reserve system for important agricultural products, especially grain and cotton. Here, I particularly want to discuss grain reserves. China has always had a tradition of storing grain as insurance against crop failure. Since the Han Dynasty [206 BC-220 AD], in periods when the country flourished, the rulers always set up official granaries[2] to keep supplies steady. Our country has a large population and frequently experiences natural disasters, so the best policy is to have grain in storage to deal with emergencies. In 1990, our country began setting up a special state grain reserve system, and this presently holds tens of millions of tons of grain in storage. This is a precious resource which cannot be considered a burden. Last year, when the south was ravished by floods, the grain storage system came to the rescue. By releasing only 4.5 million tons of grain, we were able to alleviate all the food shortages caused by the floods. In the future, we need to further improve the grain storage system. Our overall objective is to create a three-tiered storage system anchored to the state system. The state, local governments at the provincial, prefectural and county levels, and rural residents will all store grain. We need to explore and develop an effective mechanism to induce local governments, townships, villages and rural residents to store grain. When grain prices are low, we should store more, and when they are high, we should sell on

the market. With this kind of grain reserve system, we will have the power to amass and release grain in order to control and stabilize prices and the market, and keep prices from fluctuating wildly. This is an important material means for strengthening macro-control.

2) We need to create a storage and transport system for important agricultural products such as grain. This is a systems engineering project. We need an overall national plan for extensively upgrading old and building new silos and transport facilities at transport hubs connecting main grain-producing and grain-consuming areas, and in strategic areas to facilitate the process of ensiling grain and then removing it from storage. We need to continue building state grain silos quickly and well. We need to create a scientifically managed, nationwide grain storage and transport system in which resources are reasonably distributed and can be utilized quickly, and that is closely linked with the grain reserve system, so that we can respond quickly to any kind of emergency. We need to create a modern information network that can notify relevant government departments as to the grain situation so they can exercise prompt command. This matter also requires a comprehensive plan, and we cannot just pay lip service to this, but must see that it is carried out. In addition, we need to make progress every year and will get significant results only after several years' hard work. When we have a good grain storage and transport system, the central role of state-owned grain enterprises will be guaranteed and the state's macro-control capability will be greatly strengthened.

3) We need to create a multilevel market structure for agricultural products. Developing the rural economy and adjusting the mix of agricultural products must go hand in hand with market creation. Generating market mechanisms and improving the market system for agricultural products can provide farmers with accurate information and guide them to better adjust their crop selection to adapt to market needs. We need to create primary markets for both wholesale and retail sales of agricultural and sideline products in transshipment entrepots to guarantee that farmers can sell the products they produce on the market. In addition to primary markets, we also need to create regional wholesale markets where spot transactions can be conducted and where priority can be given to developing trade in medium- and long-term commodity futures contracts. The state is preparing to set up pilot futures markets for grain and other agricultural products in Shanghai and Zhengzhou in order to provide information about prices and avoid price risks. It needs to be emphasized that futures markets cannot be

established all at once, but only through state-run pilot projects. All kinds of markets need to develop toward standardization and be subject to law to ensure that all types of economic sectors and business entities can compete openly, equally and equitably.

4) We need to gradually implement a risk fund or regulatory fund system. We can effectively reduce risks and make adjustments only if we create safeguard mechanisms. When prices rise we can sell at a lower price, and when they fall we can also buy at a support price. We need to set up such mechanisms as soon as possible. We should first make a start, then gradually develop and improve them.

In addition, planning and regulation measures are very important, and must not be weakened, let alone eliminated. The problem is to effectively eliminate the flaws in the old planning system, update our conception of planning, and improve our methods of formulating and executing plans in order to adapt planning to actual needs. Even after we relax controls on important commodities such as grain, cotton, and oil and sugar crops, we must still provide planning guidance and regulation.

In the development of a socialist market economy in rural areas, getting market mechanisms to fully play their role is a long-term task that we need to constantly work hard at. At present, we need to seize favorable opportunities, move forward, and lay a good foundation. In so doing we will run up against many new problems, and Party committees at all levels and all Party members must energetically look for new ways to make improvements in accordance with the guiding principles of the Fourteenth Congress.

IV. Improve the Party's Leadership of Rural Work and Promote All-Round Rural Development

The key to implementing each of the Party's rural policies and doing our agriculture and rural work well is to comprehensively improve the Party's leadership of rural work.

First, Party committees at all levels must accord top priority to agriculture in all their economic work. We must firmly adhere to this guiding thought for a long time. We must never slacken the effort we put into agriculture, and we must do our rural work quickly and effectively, and continue to do so for a long time without wavering. The membership of leading bodies may rotate and change, but this guiding thought and way of doing things cannot, and must be adhered to as one generation of leaders

succeeds another. Experienced leaders can pass their experience on to the new members of leading bodies, help them and guide them.

Second, Party committees at all levels must always keep agriculture and rural work at the top of their agendas, regularly discuss significant problems arising in these areas, and promptly make policy decisions to deal with them. Party committees at the prefectural and county levels must steadfastly keep the focus of their work on and direct the bulk of their efforts into these areas. The principal leaders of Party committees at all levels, beginning with the General Secretary of the Central Committee and with the secretaries of the Party committees in provinces, autonomous regions and municipalities directly under the central government all the way down to the secretaries of the Party committees of prefectures and counties, must personally involve themselves in agriculture. Heads of Party committees at all levels must personally take charge of investigating and studying major problems affecting rural reform, development and stability, and they must come up with solutions, ensure that adequate arrangements are made to implement them, and oversee progress. There are great disparities in natural conditions and levels of economic and cultural development between localities, and they differ in numerous ways, so all work must take into account the actual conditions of the locality, and guidance should be tailored to the situation.

Third, because leading cadres in some localities are currently slackening or decreasing their efforts in agriculture and rural work, or even turning their attention elsewhere, I hope that within a short period of time Party committees at all levels will conscientiously investigate whether or not committees at the next lower level are putting sufficient effort into these areas, treating them with sufficient urgency, using appropriate methods, working on them with a sense of seriousness, giving them the prominence they deserve, and doing everything possible to solve farmers' urgent problems. After conducting these investigations, they should conscientiously review their experience; endorse and commend those who are excelling; criticize and assist those doing poorly; and strive to greatly improve the division of labor among leaders, in leadership methods and in leaders' work styles.

Fourth, we must effectively strengthen primary rural Party organizations and get rural Party members and cadres to fully play their role as vanguards and models. This is a basic requirement for strengthening Party leadership of rural work. Particularly in the case of village Party organiza-

tions that have long been ineffective, weak, lax, or fully or partially paralyzed, Party organizations over them must redouble their efforts in guiding and assisting them to correct their problems and make progress. If such village organizations fail to demonstrate improvement after implementation of corrective measures, county-level Party committees should send capable cadres from county agencies to strengthen their leadership. The experience from some localities shows that adopting methods like this can both relatively quickly improve the work of Party organizations that lag behind, and also temper and improve cadres.

Fifth, rural primary-level cadres are a vital force and asset of the Party. They shoulder heavy responsibilities and their work is arduous, so higher-level Party organizations must cherish them and treat them with great solicitude. These Party organizations need to impose strict requirements on how primary-level cadres do their work; guide and assist them to maintain a realistic and scientific attitude and report situations as they are; teach and encourage them to be industrious and frugal, work hard without complaint, and administer the people's affairs justly and honestly; and also guide and support them and help them solve their problems. These Party organizations need to organize different forms of study and training sessions for them in order to constantly raise their ideological and scientific level, their command of policy, and their organizational and leadership capability, so they can adapt to changing circumstances and play a greater role in deepening rural reform, developing the rural economy and leading the rural population on the road to common prosperity.

Sixth, leading Party and government agencies at and above the county level need to send teams of cadres to rural areas to conduct investigations and studies, understand local conditions, canvass people's opinions, provide information, identify outstanding individuals and organizations, and assist in on-site work. This will be beneficial not only for strengthening rural work, but also for increasing ties between the Party and rural residents, and improving the work style of leading bodies. This is an effective way for the Party to lead rural work, and we need to adhere to it for a long time and institutionalize it in the new circumstances of reform and opening up.

Seventh, all departments from the central down to local authorities, irrespective of whether they are in charge of agriculture and rural work or not, must collaborate under the Party's unified leadership, vigorously assist agriculture, wholeheartedly serve farmers, treat their concerns and wor-

ries as if they were their own, and firmly oppose all actions that harm or cheat them. To stop and rectify the problem of additional burdens being imposed on farmers through various pretexts, we need to formulate effective oversight and management measures, with the central leadership having responsibility for overseeing central departments and provincial-level Party committees having responsibility for overseeing departments under their jurisdiction. County-level Party committees exercise final supervisory authority in this work, and they must firmly oppose the imposition of any unreasonable fees, fines, standards or dues in rural areas.

Eighth, Party committees at all levels need to always attach importance to material progress and cultural and ethical progress. In the process of guiding rural work, they need to both energetically strengthen rural socialist material progress, and also emphasize and strengthen socialist cultural and ethical progress. They need to stay on the path of reform and opening up, and also severely crack down on all economic crime and criminal activities in accordance with the law, eradicate all kinds of evils, eliminate all types of negative and decadent influences, safeguard rural social order, and ensure that rural people can live and work in safety. We need to conscientiously and genuinely promote economic prosperity while also promoting all-round social progress and stability in rural areas. In the new period, the task of educating the rural population and uplifting them is still burdensome. The more we carry out reform and opening up and develop the socialist market economy, the more important it becomes to educate rural residents, especially the youth, in patriotism, collectivism and socialist ideology. If advanced and correct ideology and outstanding social practices do not prevail in rural ideology and culture, backward and erroneous ideology and unhealthy social practices will. Party committees at all levels must pay close attention to this problem.

We can unquestionably overcome all difficulties and problems on the road ahead and do a better job in agriculture and rural work if we comprehensively improve the Party's leadership of rural work, genuinely carry out all the Party's rural policies at the village level, and promptly discover and appropriately deal with problems that arise in rural development, and if leading cadres at all levels sincerely seek to further rural residents' interests, listen to what they have to say, and fully trust and rely on them. Through the tireless efforts of several generations of people, we can definitely achieve our magnificent goal of building a new modern socialist countryside with Chinese characteristics.

[1] A reference to the policy in effect at the time under which grain farmers' contracts coupled their commitments to sell to the government a fixed quantity of grain with government promises to sell them chemical fertilizers and diesel fuel at low prices and pay them advances on the grain sale.

[2] A reference to granaries set up by the government during and after the Han Dynasty to regulate grain prices and protect against famine. They bought grain at a higher than the prevailing price when it was plentiful and sold it at a lower price when it was scarce to reduce price fluctuations. The grain was used to keep the supply steady and to provide disaster relief.

THE INTERNATIONAL SITUATION AND OUR MILITARY STRATEGIC PRINCIPLE*

January 13, 1993

This enlarged meeting is an important one the new Central Military Commission has convened following the Party's Fourteenth National Congress. Its primary purpose is to study and implement the guiding principles of the Fourteenth Congress and Comrade Deng Xiaoping's thinking on army building in the new period, deliberate the military strategic principle we should adopt under these new international circumstances, and arrange the work for the army this year. Since the Fourteenth Congress, the Central Military Commission and the PLA's Headquarters of the General Staff, General Political Department and General Logistics Department have discussed the issue of a military strategic principle many times. Today, I am here to discuss some issues on behalf of the Central Military Commission.

I. The International Situation

The world is now in a historic period of great change. In general, the present international situation is favorable for China's development.

To begin with, for a long time to come, it will be possible to secure a peaceful international environment and avert a new world war. This is an extremely important strategic judgment and a prerequisite for us to concentrate our efforts on economic development. You all know that the contradictions between war and peace and the transformation from the one state to the other are decided by their relative strength as they wax and wane. From the late 1970s to the mid-1980s, Comrade Deng, with the farsighted wisdom of a great strategist, creatively used the Marxist stand, viewpoint and method to correctly make a clear distinction between the forces of war and peace, carried out a dialectical investigation of their contradictory movements, scientifically predicted the direction in which the international situation would develop, demonstrated that hegemonism is the root cause of contemporary wars, and made his famous judgment that, although the threat of war still exists, it may be deferred if we do our work well. At

* Excerpt from a speech at an enlarged meeting of the Central Military Commission.

the time, the basis for this judgment was, "The world forces for peace are growing faster than the forces for war."[1] At the same time, Comrade Deng incisively clarified who we should rely on, unite with and oppose in our efforts to avert war and safeguard peace. As we now look back from our present standpoint, we can see that he is truly a man of great foresight. The demise of the Soviet Union and the end of the bipolar structure in the world have made his basic appraisal even clearer. The world is now becoming multipolar, mutual constraints are increasing in the international arena, and the forces for peace are continuing to grow.

Furthermore, as the new structure is taking shape, conflicts in the world are deepening, forces are disintegrating, their elements are being realigned, and important strategic relations are undergoing transformation. Because the law that capitalist economic and political development is not in equilibrium continues to hold true, conflicts within and between Western countries are daily coming to light and becoming more intense, and the internal and external difficulties of these countries continue to grow. This situation creates numerous new opportunities for us to devise military strategies that enable us to maneuver among factions in international rivalries. As long as we have a good grasp of a number of important strategic relations and turn a number of key conflicts to our advantage, we can respond flexibly, maintain our freedom of action, adapt to changes in the international situation and further raise our international standing.

Moreover, compared with other regions in the world, the Asia-Pacific region is relatively stable, economic relations and cooperation between countries in the region are increasing, and sensitive issues from the past have been or are in the process of being resolved politically. Our security situation vis-à-vis neighboring countries is constantly improving, while our good-neighborly relations with bordering countries are better than they have ever been since the founding of the People's Republic.

The above conditions and factors provide a good external environment for us to concentrate on economic development. As Comrade Deng pointed out, a favorable international environment and good domestic conditions provide the opportunity for rapid development. We must appreciate and grasp the present favorable opportunities; further emancipate our minds; seek truth from facts; work diligently and press forward together; increase the pace of reform, opening up and modernization; and achieve new victories in the cause of building socialism with Chinese characteristics.

At the same time as we note that certain aspects of the international

situation are favorable to us, we also need to pay attention to those aspects that are not beneficial or even grim, and we must not underestimate the volatility of the international situation. It is most important that high-ranking cadres in the Party and army have a clear understanding of these issues. We must recognize that today's world is not tranquil and that the problems of peace and development, which for so long have formed the focus of people's struggle, have not been resolved. Comrade Deng once incisively remarked, "I looked forward to the end of the Cold War, but now I feel disappointed. It seems that one Cold War has come to an end but that two others have already begun."[2] Developments in the international situation confirm that Comrade Deng's prediction was completely correct. At present, world socialism is at a low ebb, and international hostile forces are increasing their infiltration of and subversive activities within socialist countries. We must maintain our vigilance, and we cannot lower our guard. Hegemonism and power politics have already formed the main obstacle to world peace and development. A number of ethnic, religious and territorial conflicts, previously held in check by the confrontation between the United States and the Soviet Union, have intensified, increasingly fomenting bloody clashes and local wars, and these conflicts are spreading. International military struggle is very complex, and although arms control and disarmament negotiations have made some progress, the arms race is shifting its focus to new and high technologies, and this has an influence on the military struggle worldwide and in the Asia-Pacific region that must not be underrated.

Although another world war or an all-out war against China will not occur for a relatively long time, there are still factors that could cause local wars, armed conflicts and localized domestic social unrest. Although international rivalry is primarily carried out through competition in overall national strength, which is based on economic and technological strength, military means still play an important role. The great cause of reunifying the motherland is constantly making progress, yet a number of new, complex factors have emerged. In this ever-changing, complex and intricate international situation, we need to excel at observing and analyzing problems comprehensively, not one-sidedly; dynamically, not statically; and in context, not in isolation. Then we will be able to discern the true nature of the situation underlying a myriad of details, grasp the main problems and their key aspects, and realistically and accurately judge the nature, degree and form of possible threats we may face.

In short, we need to fully take into account all favorable factors, seize

precious opportunities, intensify our diplomatic work, increase our foreign contacts, create more room to maneuver in international affairs, and become better able to assume the initiative therein in order to foster better external conditions for our domestic development. This will enable us to step up the pace of reform, opening up and modernization; concentrate on economic development; and constantly raise our country's overall national strength. Doing this will provide the basis for ensuring the long-term political stability of the country and for strengthening and developing the cause of building socialism with Chinese characteristics. At the same time, we also need to be fully aware of adverse factors, study them more carefully, plan meticulously, make correct policy decisions, work diligently, strive to turn adversity to our advantage, and ameliorate risks through proper preparedness. We cannot become sanguine and blind ourselves to risks and thus fail to exercise necessary vigilance because the international situation is generally favorable; nor can we overestimate the seriousness of the international situation because it exhibits some adverse factors and consequently give in to anxiety and treat every phenomenon as an imminent threat, to the point where we falter in our resolution to concentrate on economic development. Both extremes are manifestly wrong, and neither accords with objective facts. It can be said that at present favorable factors in the international situation outweigh adverse ones. Comrade Deng said that we should observe calmly, respond coolly, never claim leadership, and make some contributions. As long as we do this as he said, grasp the opportunities the international situation offers for our economic development, and do our work both wholeheartedly and well, we can calmly respond to any complex situation from an impregnable position.

When we comprehensively look at our security environment, we can see that no matter whether we are dealing with political or economic problems or facing external military threats or obstacles to national reunification and domestic destabilizing factors, all these problems are directly or indirectly attributable to and affected by hegemonism and power politics. On these matters we must be thoughtful and farsighted in our strategic thinking. We must resolutely oppose all actions inimical to our national interests and sovereignty. Naturally, we must be flexible in the means we adopt.

II. Our Military Strategic Principle

Without a correct military strategic principle, no country or nation can

survive and develop or have a firm footing in an intensely competitive international environment. In today's complex and volatile international situation, we must establish the correct military strategic principle in order to maintain the strategic initiative.

Since the founding of the People's Republic, our army has always followed a military strategic principle of active defense. In these new historical conditions, what kind of military strategic principle should we actually implement? We believe that we need to continue to carry out a principle of active defense. At present, implementing a principle of active defense carries on our army's traditions, accords with our national conditions and the state of our army, and is beneficial for maintaining the political and diplomatic initiative. At the same time, as the situation develops and changes, we will need to infuse new content into our principle of active defense.

On the basis of developments and changes in the nature of international and military struggle, our national conditions and the state of our army, the Central Military Commission believes that for some time into the future our military strategic principle of active defense should fully incorporate the following primary principles.

First, we must take Mao Zedong's military thinking and Comrade Deng's thinking on army building in the new period as our basic guide.

This is the theoretical cornerstone and ideological foundation for executing a military strategic principle of active defense in the new circumstances. Mao Zedong's military thinking is the product of integrating Marxist military theory with the practical military experience of the Chinese revolution, and it is a system of military science that incorporates the best military thinking from ancient and modern times both in China and abroad. Our glorious military history tells us that Mao Zedong's military thinking is the foundation of our army and the key to victory. Comrade Deng is the chief architect of China's socialist reform, opening up and modernization, as well as the chief architect of army building and reform in the new period. At the same time as he planned the entire country's reform, opening up and economic development, he also drew up a blueprint for army building in the new period. Beginning in the 1970s, he creatively employed the Marxist stand, viewpoint and method with great strategic insight, a realistic and scientific attitude, and great courage and resourcefulness to expound a series of scientific theses on the problems of war and peace under present conditions, the problem of a military strategic principle of active defense and the issue of waging a people's war under mod-

ern conditions. He systematically set forth objectives, tasks and principles for army building in the new period and responded to key questions about building a modern, standardized revolutionary army with Chinese characteristics. With respect to the great changes that have occurred internationally in recent years, Comrade Deng propounded the important principle of observing calmly, responding coolly, never claiming leadership, and making some contributions. This provides the basis upon which the Party and government can formulate new policies and strategies and also provides a clear orientation for strengthening army building and improving the Party's skills in guiding military struggle. Comrade Deng's thinking on army building in the new period is an important component of the theory of building socialism with Chinese characteristics, and it creatively builds upon Mao Zedong's military thinking. It not only reveals the basic laws of army building and military struggle, but also gives us a stand, viewpoint and method for correctly understanding and solving problems concerning army building and military struggle. This is the fundamental reason why our army has enjoyed such great success for more than a decade in safeguarding the country's security, while at the same time becoming more revolutionary, modern and standardized. Practice proves that following the guidance of Comrade Deng's thinking on army building in the new period provides an important guarantee that our army building will continue to progress with the correct orientation and achieve even greater success.

Under these new circumstances, what is most fundamental in continuing the military strategic principle of active defense is to keep Comrade Deng's thinking on army building in the new period as our guide; effectively strengthen the army; ensure that we always stay on the path of building a modern, standardized and revolutionary army with Chinese characteristics; and guarantee that our army goes from victory to victory in its intricate and complex struggle. All members of the army, especially high-ranking cadres, need to diligently study and fully grasp Comrade Deng's strategic thinking and theoretical stand and conscientiously apply them in army building and military struggle. At the same time, they need to diligently study Comrade Deng's use of the Marxist stand, viewpoint and method and the scientific attitude and innovative spirit he used to analyze and solve the problems concerning army building and military conflicts. They need to emancipate their minds and seek truth from facts to solve new problems concerning army building and military struggle promptly and well; constantly increase the army's combat effectiveness; and energetically work to make our army

a modern, standardized and revolutionary army that is qualified politically and competent militarily and has a fine work style, strict discipline and adequate logistics support.

Second, we must subordinate ourselves to and serve the country's development strategy.

A country's military strategic principle is always in service of achieving its strategic objectives. After the Third Plenary Session of the Eleventh Central Committee, under the guidance of Comrade Deng, our Party formulated the basic line of "one central task, two basic points" and the theory of building socialism with Chinese characteristics. At its Fourteenth Congress, the Party comprehensively reviewed the fundamental experiences gleaned from 14 years' reform and opening up and formulated strategic plans for China's future development. We need to create a basic socialist market economy and achieve the second-step objective of raising the people's living standard throughout the country to a level of moderate prosperity in the 1990s. By the centenary of the founding of the CPC in 2021, all fields of endeavor should have more mature and fixed systems. By the middle of the next century at the centenary of the founding of the People's Republic in 2049, we should reach our third-step development objective of basically achieving socialist modernization. This is our overall plan, which affects the fundamental interests of the country; and the nation, and the entire Party, army and country need to subordinate themselves to and serve this plan, and do everything possible to achieve the country's lofty goals. Following a strategy of active defense in these new circumstances means that in this complex and volatile international situation we must always take the country's overall interests as our starting point, painstakingly guide army building and military struggle, and coordinate closely with the country's political and diplomatic work. We must get the army to fully play its role in safeguarding the country's security, the unity of the motherland and social stability and supporting socialist modernization, while providing powerful security assurances for reform, opening up and economic development so that army building and military struggle better serve the effort to achieve the country's strategic objectives.

Third, in preparing for future military struggle, we must focus on winning local wars fought under modern technological conditions, especially high-tech conditions, that might potentially break out.

Since the beginning of the 1980s, worldwide competition in high technology has increased tremendously. At present, countries throughout

the world are revising their development strategies to give a central role to developing modern technology, especially high technology, in order to increase their overall national strength and national defense capability and maintain the strategic initiative. The facts of the Gulf War[3] demonstrate that, as high technology has been applied in the military arena, the accuracy of weapons and the intensity of war have reached unprecedented heights, and high-tech weapons give whoever possesses them the ability to make a comprehensive and flexible strike suddenly and swiftly deep into enemy territory; this shows that whoever has high-tech superiority clearly has the initiative on the battlefield. In today's world, if a country does not strengthen its national defense capability along with its economic and social development and raise the quality of its troops and the level of their weapons and equipment, its combat effectiveness under modern technological conditions, especially under high-tech conditions, will be poor, with the result that once war breaks out, it will likely be put into a passive position and come under attack, and its interests, dignity and international standing will suffer greatly. For this reason, many countries in the world today are revising their military strategies to adapt to developments in the international situation and military struggle.

As a result of escalation of the worldwide high-tech arms race, once a local war breaks out in the future, it is quite possible that it will be a high-tech confrontation. We cannot underestimate this possibility and absolutely cannot ignore it, especially in relation to the Taiwan question. If a major Taiwan independence incident occurs, we cannot fail to take decisive military measures to block Taiwan independence because we must safeguard our national reunification and sovereignty. Of course, if we do our work well, we can prevent and avert such a confrontation. It is the law of military struggle that if you are well prepared, your enemy will not dare to act. The world underwent sudden changes in the past, and this is especially true today when the world is highly volatile and far from tranquil. It would be better if our assessments and preparations were somewhat more complex to react to unforeseeable emergencies. For the sake of the country's long-term interests, we have to keep working hard in our diplomatic work; in the economic arena we need to stress mutually beneficial cooperation; and in the military arena we must maintain our vigilance in times of peace to prevent dangers from arising, while gradually making the necessary preparations to respond to changes. History shows that the better prepared one is militarily and the more one holds the strategic initiative, the greater the

guarantees of security are. At the same time as we are fully aware of how the situation serves our interests, we are also aware of the dangers. Making necessary preparations for complex situations that could arise while keeping economic development as our central task will help provide fundamental assurances that our country's reform, opening up and economic development proceed smoothly.

We need to prepare well to win local wars fought under modern technological conditions, especially high-tech conditions, in order to prevent such wars from occurring as much as possible. Making such preparations is also a fundamental measure to ensure that if one does break out we will win. The focus of our strategic guidance long ago shifted from preparing to fight an upcoming major war or nuclear war to preparing to fight local wars. At present, developments and changes in the international situation require us to focus our preparations on fighting local wars under modern technological conditions, especially high-tech conditions. This is a further development and refinement of our strategic guiding thought.

Preparing to win local wars under modern technological conditions, especially high-tech conditions, imposes very high requirements; at present, we face many difficulties, particularly financial and technological ones, in meeting them. However, developments in the objective situation compel us to take this issue very seriously. We should give this matter thorough consideration and resolve to put great energy into this work. Of course, you cannot fatten yourself up with just one bite of food, so we need to make preparing to win local wars under modern technological conditions, especially high-tech conditions, a long-term objective of our preparations for military struggle. We need to gradually strengthen key areas of the army in accordance with the country's overall plan for economic development and within the constraints imposed by our national strength, according top priority to understanding, studying and drawing necessary lessons from the high technology employed by foreign armed forces. We must work long and hard to adapt our conception of combat, national defense technology, weapons and military equipment, organization and staffing, education and training, political work, and logistics to the future needs of our army fighting under modern technological conditions, especially high-tech conditions, and to create more favorable conditions for maintaining the strategic initiative in national security and development in the future.

There can be no doubt that, while preparing to win local wars fought under modern technological conditions, especially high-tech conditions,

we need to give full consideration to the circumstances of our actual economic strength and overall national strength. We will not be able to catch up with the level of advanced Western countries in military technology and equipment anytime soon. We need to constantly boost the morale of army officers and enlisted personnel and raise their ideological, political, disciplinary and military level. Even though our equipment is inferior to that of others, we need to make the most of our superiority in the area of morale. The kind of war we are preparing to fight is one to safeguard our national sovereignty and the security of our people from foreign invasion. In such a war, we will have the advantages of opportune time, favorable terrain and popular support, as well as the advantage of fighting a just war. With the addition of a complete package of strategies and tactics for fighting a people's war under modern conditions and fully utilizing all of our strengths, we can offset the deficiencies in our weapons and equipment and defeat any big power that attacks us. In the future, as our economy develops and our national strength increases, the gap between our military technology and equipment and the foreign advanced level will shrink, but we will still need to adhere to the principle of fighting a people's war, continue to make the most of our army's traditional advantages, adhere to the Marxist stand of historical materialism, and correctly deal with the dialectical unity of factors pertaining to people and weapons. In this way, our army can always occupy an impregnable position when responding to any kind of complex military struggle.

Fourth, we must exercise flexible and correct strategic guidance.

On previous occasions since the founding of the People's Republic, when we formulated a military strategic principle, we put forth many good guiding strategic ideas and principles including, for example, gaining mastery by striking only after the enemy has struck, fighting a people's war, defeating the enemy with the equipment available, and fighting under difficult circumstances. These guiding ideas and principles are still important, and we shall continue to adhere to them.

According to Comrade Deng's strategic thinking and tactics for struggle, in order to ensure we can concentrate our energy on economic development, diplomatically we need to continue to practice an independent foreign policy of peace and actively develop state-to-state relations with all the countries in the world to create a favorable international environment. Militarily we need to maintain a strict self-defense posture, not violate other countries' sovereignty and not start trouble. If any conduct encroaches on

our sovereignty or interests, we need to counter this with reason, advantage and restraint. In peacetime, the army needs to take averting an outbreak of hostilities as one of its most important functions; closely coordinate with our political, diplomatic and economic efforts; strive to improve our country's strategic environment; reduce factors that undermine security and stability; and try to prevent the outbreak of local wars and armed conflicts, so that our economic development is not affected by war. If we can sustain rapid economic development for a decade or several decades in a secure and stable environment, our economic, military and overall national strength will increase greatly; our security will be better assured; our international standing will be higher and firmer; and our cause of socialism with Chinese characteristics will have greater vitality.

The world is undergoing a process of multipolarization, and there are acute and complex conflicts between forces in the international arena. In this situation, a very important issue in our strategic guidance is to become adept at exploiting conflicts and responding flexibly to maintain the initiative. In our struggle against hegemonism and power politics, we need to adhere to principle while remaining flexible, and exploit all conflicts we can to win for ourselves more room to maneuver. With regard to neighboring countries, we need to do more to allay their misgivings and promote good-neighborly friendship with them in accordance with the principle of stability along our frontiers. We need to handle our foreign affairs well and strive to gradually resolve disputes through peaceful negotiation. We must not be too impatient with problems that are currently intractable, but should create conditions for gradually solving them while maintaining the status quo. For the present and some time to come, the focus of our military struggle has to be to prevent a large-scale Taiwan independence incident and keep it from threatening our national sovereignty and territorial integrity. The army needs to actively support the Party and government in their efforts to attract and influence Taiwan politically, economically, culturally and technologically; provide a military deterrent effect; contain secessionist forces advocating Taiwan independence; and strive to promote peaceful reunification while conscientiously making military preparations to deal with any contingency.

At present, we do have difficulties and shortcomings in dealing with local wars under modern technological conditions, especially high-tech conditions, but we also have our strengths, and our true advantage is a people's war. Our favorable geographic conditions, a great fighting poten-

tial, a large standing army, a limited nuclear response capability, and our rich experience in a people's war together form the basis for preventing war or defeating our enemies, and these are an important reason why for many years powerful enemies have not dared to rashly invade our country. These are extraordinary advantages, and we cannot afford to lose them at any time. At the same time, we must realize that local wars fought under modern conditions are already very different from wars of the past. If a clash or war breaks out, very likely the first thing the enemy will do will be to launch an air attack using precision-guided missiles and long-distance bombers. It is becoming increasingly possible that the enemy will fight independent sea and air battles. In such a situation, we will still have to steadfastly fight a people's war and cannot vacillate in the least because experience has repeatedly taught us this is the key to defeating the enemy. However, the problem of how to make full and effective use of the advantages of a people's war in light of the specific realities of modern warfare is very complex and deserves deep study. As early as 1978, Comrade Deng stressed the need to carry on Mao Zedong's military thinking, investigate how to fight a people's war under modern conditions, and develop our country's military science. Now, this issue is even more important and urgent. We must develop the conception of people's war grounded in our new circumstances; comprehensively review our combat thinking, battle command, alignment of forces, forms of battle, tactics, weapons and equipment, geographical environment and fighting potential as well as the quality of our troops; and seek a way to defeat the enemy in a modern technological war using the equipment we have. This is the only way we can make the most of our strengths, compensate for our weaknesses, attack the enemy and win victory.

From now on, in order to adapt to the need to fight wars under modern technological conditions, especially high-tech conditions, we will actively create conditions to improve our army's weapons and equipment. However, generally speaking, we will still need to be fully prepared for a relatively long time to defeat a superiorly equipped enemy with the outdated equipment we have, and we must have the confidence and resolve to do so. But to be able to do so, we shall need to work hard to improve our strategic decision making and foresight and do everything we can to anticipate attacks or incidents before they occur.

We should not limit our guidance to these ideas and principles. There are many other problems that we must study deeply concerning the new

international situation and military struggle.

In short, for some time to come the basic content of our military strategic principle of active defense will be: to take Mao Zedong's military thinking and Comrade Deng's thinking on army building in the new period as our guide; subordinate ourselves to and serve the country's development strategy; focus on winning local wars fought under modern technological conditions, especially high-tech conditions; quickly raise the quality of the army; strive to improve its rapid response capability; make the most of our strengths; compensate for our weaknesses; respond to changes flexibly; prevent war from breaking out; be victorious if it does; safeguard the country's territory and sovereignty and its maritime rights and interests; preserve national unity and social stability; and provide powerful security guarantees for reform, opening up and modernization.

This strategy clearly states the fundamental guiding thought we must adhere to in our army building and military struggle and its relationship to the country's development strategy, sets forth the army's strategic objectives and tasks and the basis for army building and military preparedness, and points out the basic thinking for our strategic guidance.

III. Issues Concerning Army Building and Military Preparedness

According to the military strategic principle of active defense, the key to gradually preparing to win local wars fought under modern technological conditions, especially high-tech conditions, is to thoroughly implement Comrade Deng's thinking on army building in the new period, carry on the fine tradition of the people's army, preserve the character of the Red Army, and energetically and comprehensively strengthen the army, constantly raise its combat capability, and energetically turn it into a more revolutionary, modern and standardized army.

First, we must give prominence to developing national defense technology and better equipping our troops. We have the confidence and ability to vanquish any enemy. However, if our weapons and equipment are outdated, and especially if our ability to fight under high-tech conditions is weak, it will be difficult for us to gain the initiative in battle and victory will come at a high price. Therefore, we must esteem science and have a high regard for what weapons can do. Comrade Deng recently issued a directive to improve our weapons and equipment and raise our combat capability. On the basis of this directive, we need to commit ourselves to national defense

research and equipment development to strengthen our material foundation for coping with local wars fought under modern technological conditions, especially high-tech conditions, so that we can provide our army with a number of advanced and effective means of stopping the enemy, raise its ability to deter our adversaries and strengthen its combat capability as quickly as possible. At the same time, we must also emphasize improving our existing weapons and equipment to raise their combat effectiveness and turn them into more complete systems.

Second, we must strongly focus on raising the quality of army officers and enlisted personnel. Comrade Deng strongly emphasized this issue. He repeatedly stressed that to raise troop quality through training, we need to give a strategic position to education and training and treat this as an institutional matter. He added that this principle should be put into concrete practice. He based these comments on decades of experience in building and running the army, and they deeply reflect the law of peacetime army building. We need to fully implement this important thinking of Comrade Deng's. Leaders and leading bodies at all levels must put their greatest efforts into education and training, persevere without letup, work diligently, improve the quality of education and training effectively, and train a large number of outstanding personnel who have a high level of political consciousness, high morale, a good grasp of modern military technology, and the skill to direct a modern war. We must recognize that this is a plan of fundamental importance for modernizing the army and winning future wars and an extremely important component of taking the path of fewer but better troops with Chinese characteristics, and improving the quality of the army. For now and some time to come, we will need to strengthen troop training, university education and research in military science, with the focus on winning local wars fought under modern technological conditions, especially high-tech conditions. We need to take the practical requirements of combat as our starting point in further improving troop training to raise the tactical and technological ability of the troops to fight under these conditions. We especially need to train commanders well at all levels and turn them into the army's core leaders who are proficient in the art of exercising command in a modern war. We need to continue to strengthen military universities and improve their course content and teaching methods in order to train a large number of qualified personnel to modernize the army and develop national defense technology. We need to focus on the characteristics of local wars fought under these conditions, deeply

investigate and actively explore the laws of people's wars fought under modern conditions, strive to find tactical methods for defeating an enemy that has superior equipment under such conditions, and enrich and develop military theory with Chinese characteristics. We firmly believe that with well-trained, qualified troops, a large number of skilled commanders, and flexible strategy and tactics, and by constantly improving our military technology and equipment, we can be ever-victorious.

Third, we must place greater emphasis on the priorities of army building. We need to resolve to strengthen key military units and give them a high level of combat capability. We need to adjust to the needs of people's wars fought under modern conditions, and accord priority to strengthening national defense reserve forces. The PLA's Headquarters of the General Staff, General Political Department and General Logistics Department and relevant state organs need to coordinate with the country's institutional reform to further improve national defense mobilization mechanisms, with the focus on rapid mobilization in future local wars.

Fourth, we must effectively improve the army's ideological and political work. This work is a unique strength of our army. Effective ideological and political work is indispensable whether we are building a peacetime army or are preparing for future wars fought under modern technological conditions, especially high-tech conditions. We need to strengthen Party organizations and leading bodies at all levels in the army, and ensure that the Party has absolute leadership over the army, and that the army has a high level of stability, centralization and unity. We need to regularly educate the troops in our army's basic functions and glorious traditions and urge them to carry on its fine traditions and preserve the nature of the Red Army. We need to energetically expand education in modern and contemporary Chinese history and in the country's situation and combat readiness so that our cadres and soldiers will clearly understand the situation, draw lessons from history, be alert to danger in times of peace, keep patriotic ideology firmly in mind, and be keenly aware of the importance of national defense. We need to stay closely focused on education and training as we strive to do our regular ideological and political work well, arouse the troops' enthusiasm for training, cultivate in them a fighting spirit that is undaunted by the threat of personal sacrifice and is bold and indomitable, and ensure that the troops maintain their fighting spirit no matter what privations they endure and fully carry out the mission the Party and the people have entrusted to them.

Fifth, we must further strengthen the army's logistics. An army needs to have strong logistics support to have a powerful combat capability. Battles fought under modern technological conditions consume massive quantities of materials, require complex technological support and demand rapid responses, all of which increases reliance on logistics and technological support. We need to fully recognize the position and role of logistics support and constantly strengthen logistics. In this situation in which disparities between supply and demand are difficult to alleviate for the time being, we need to focus on guarantees in key areas. We need to first guarantee that the troops' lives constantly improve, then concentrate financial and material resources on improving equipment and strengthening key units and important areas of development. Based on the demands of battles fought under modern technological conditions, especially high-tech conditions, we need to strengthen logistics and technological support, strive to create an overall support capability, and especially raise our comprehensive emergency response capability. We need to adapt to the requirements of developing a socialist market economy, improve our methods of procuring and supplying goods and materials, and make our spending on and use of them more effective. We need to strengthen the mobilization of logistics to gradually create a logistics support system that serves both military and civilian purposes.

From now to the middle of the next century is a very important and precious time for making the motherland prosperous, promoting the cause of socialism and modernizing the army. All members of the army, especially high-ranking cadres, must be fully aware of the sacred and difficult mission they shoulder. We must lead the commanders and fighters of the army to unite as one, rouse their spirits, resolutely break new ground and strive to turn the army into a powerful, modern, standardized revolutionary army in accordance with Comrade Deng's thinking on army building in the new period and under the guidance of the Central Committee and the Central Military Commission.

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[1] "Speech at an Enlarged Meeting of the Military Commission of the Central Committee of the Chinese Communist Party," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 132.

[2] The original passage reads, "I looked forward to the end of the Cold War, but now I feel disappointed. It seems that one Cold War has come to an end but that two others have already begun: one is being waged against all countries of the South and the Third World, and the other against socialism." "We Must Adhere to Socialism and Prevent Peaceful Evolution Towards Capitalism," *ibid.,* p. 333.

[3] "Concerning Our Military Strategic Principle and Issues of Defense Technology," note 1, p. 141, this volume.

FULLY AND CORRECTLY GRASP THE SITUATION AND MAINTAIN STEADY MOMENTUM IN ECONOMIC DEVELOPMENT*

March 17, 1993

At present, we are all concerned with economic development and reform, and especially macro financial controls. You have conscientiously analyzed the present economic situation and offered excellent suggestions on controlling the supplies of money and credit and keeping them stable. It seems a number of serious problems have emerged in economic development and reform that we must concentrate on individually and then solve. This is the only way we can better integrate emancipating our minds with seeking truth from facts; further implement the line, principles, policies, goals and tasks set at the Fourteenth National Party Congress; and ensure rapid and sound economic development.

Emphasis on comprehensively and correctly understanding and analyzing the situation is necessary in order to avoid a one-sided approach to it. At the same time as we affirm our successes, we need to remain keenly aware of unfavorable tendencies, trends and latent problems that could have serious consequences if allowed to develop unchecked. When studying and analyzing problems, we also need to recognize that the overall situation is very good. In brief, we must take the country's overall interests into consideration and grasp the situation correctly and comprehensively. This is a prerequisite for formulating and carrying out correct policies and measures.

Industrial and agricultural production is the foundation of the Chinese economy, and we need to work hard and well. We must strengthen agriculture, the foundation of the national economy, to effectively solve the problems of the declining comparative benefits of engaging in agricultural production, the difficulty sustaining agricultural development and the excessive burdens imposed on farmers, and to actively steer farmers toward developing commodity production in a market economy. The problem of paying farmers with IOUs already affects the Party's relations

* Excerpt from a speech at a meeting of the Central Committee's Leading Group for Financial and Economic Affairs.

with farmers, the vital interests of farmers and the stability of the position of agriculture as our economic foundation. This is a longstanding problem that has complex causes. We focused on this problem just before and after Spring Festival to good effect, but we still need to find a fundamental solution to it. When farmers sell their crops this autumn, we absolutely must not pay them with IOUs again. I would like to request the People's Bank of China to come up with a plan so the State Council may study it and make a decision. Industry needs to further implement the Regulations on Transforming the Way Industrial Enterprises Owned by the Whole People Operate and strive to transform the way enterprises operate by increasing their competitiveness and boosting their economic performance. We need to greatly develop infrastructure and basic industries in the areas of energy, transportation, and raw and semi-finished materials to ameliorate the bottlenecks constricting economic development. We need to adopt essential policies and measures to increase macro-control, with the focus on these important aspects of the economy.

We must strictly restrain the growth of fixed asset investment and consumption funds within their planned scope. Except for the key projects already included in the plan, we will, in principle, not launch any more new projects this year. We will prioritize projects already under construction, and consummate the most important ones first in accordance with our industrial policy and our financial and material capabilities. We need to pay special attention to controlling projects not included in the plan. In light of the fact that project approval authority is moving to lower levels, we need to exercise control through sources of funding. Development zones cannot be established in a mad rush, but must proceed at a pace that circumstances permit. Last year, too many development zones were set up all around the country, a problem that we must conscientiously address. Provinces, autonomous regions and municipalities directly under the central government should concentrate their efforts on operating just one or two zones well. Land that has already been requisitioned for projects but is sitting idle because development preparations are not complete should be planted with crops. Local governments' preferential policies for development zones may not violate uniform state regulations. Increases in wages and bonuses have to be indexed to increases in economic performance, and their scale must not exceed that of performance increases. We need to strictly control the pace by which institutional spending increases.

We need to firmly control the amount of credit and especially super-

vise credit activity outside the government-set limits for loans. We need to strictly forbid the misappropriation of working capital loans and prevent financial institutions from using loans from other financial institutions to invest in fixed assets. Commercial banks may not directly participate in real estate development, speculate in stocks, or resell materials and goods for excessive profit. We need to close the loopholes that allowed loans and fixed asset investment to expand beyond set limits last year and hold direct financing within planned limits. In the present situation in which most enterprises' self-control mechanisms are inadequate, strict control needs to be exercised over corporate bonds and enterprises' internal stock holdings. At present, banks in some localities are waging a "savings war" to attract deposits, and we need to devote serious attention to this matter and take the steps necessary to bring it to an early end. Banks need to not only strictly control credit amounts, but also adjust the credit structure in accordance with industrial policy by focusing on supporting agriculture, basic industry and infrastructure to ensure their growth.

We need to decrease the quantity of money in circulation. Banks need to improve the way they settle accounts, adopt a variety of procedures for settling accounts that meet the needs of a market economy, do everything possible to decrease cash transactions, and exercise strict supervision over cash. Doing this will significantly improve tax collection and reduce graft in cash transactions. We need to speed up creation of an economic information network and promptly formulate and adopt a number of new measures concerning it. We also need to adjust interest rates in accordance with changes in the economic situation.

We need to stabilize the market foreign exchange rate. At present, the exchange rate is too high, our foreign exchange reserves are decreasing, and our foreign debt is rapidly increasing. We need to pay attention to these problems and proactively solve them before they generate negative repercussions. The fundamental reason the exchange rate is so high is a supply and demand imbalance. There are two things we can do to improve this situation. First, we need to control total demand by restraining the excessive rate of increase in the money supply, credit, fixed asset investment and consumption funds. Second, we need to investigate ways to reform the foreign exchange retention system, including changing from a quota retention system to a spot exchange retention system and thereby changing the proportion of foreign exchange retained.

We need to conscientiously solve the problem of commercial banks'

lust for profits. Our banking industry is highly monopolistic, and bank profits are monopolistic profits. Allowing banks to retain excessive profits would easily give rise to a problem of excessive lending in the service of the interests of the part. Therefore, at the same time that we educate bank cadres and employees to take overall interests into account, we also need to study how to solve this problem from the policy and institutional perspectives. It is even more important to strengthen supervision over the distribution of profits of non-bank financial institutions. Concerning suggestions to establish an employee-based human resources management system in banks and eliminate retention of profits, this could be included in our reform of the civil service system.

At present, there are a number of problems in economic life that have deep-rooted causes and which can be completely solved only by deepening reform. Establishing a socialist market economy is a massive social systems engineering project, which people working in both theoretical and applied fields are investigating. We must combine theory with practice and come up with a general plan and specific measures for establishing a socialist market economy.

At present, the following problems urgently require attention.

First, we need to reform the fiscal and taxation systems. To do this, we need to focus on properly balancing relationships between the central and local governments, between the central government and enterprises, and between enterprises and individuals. We need to raise government revenue as a percentage of national income and increase central government revenue as a percentage of total government revenue. We need to use taxation as a lever to address unfair income distribution in society and increasing income disparities between regions.

Second, we need to reform the investment system. We need to focus on clarifying responsibilities, holding responsible parties accountable for their acts, controlling the scale of investment, adjusting the investment structure on the basis of industrial policy, solving the problem of redundant low-quality construction, and increasing returns on investment.

Third, it is necessary to bolster administration of state assets and create a social security system. At present, state assets are eroding at an alarming rate. We need to promptly find an effective way of utilizing state assets that embodies the superiority of public ownership. Creating a social security system is an important precondition for deepening enterprise reform. We need to promptly create a sound social security system that provides cover-

age for unemployment, retirement, medical treatment and on-the-job injuries based on the principle of the government, enterprises and employees jointly sharing the burden.

Fourth, we need to reform the financial system. It is imperative to reform the financial system. We have already achieved a lot in this area over the past 14 years of reform, but it is far short of satisfying the requirements for developing a socialist market economy. At present, a number of conflicts and problems between economic activities and the financial system have already manifested themselves. For example, macro financial adjustment mechanisms are comparatively weak; the organization of financial markets is relatively backward; the methods of direct financing are far from standardized; and the setup of financial institutions is less than optimal. If we do not conscientiously solve these problems, the implementation of macroeconomic policies will suffer, and it will be difficult to further deepen economic restructuring and sustain healthy economic development.

Deepening reform of the financial system needs to be favorable for further cultivating and developing our socialist market economy and be coordinated with it and its operational mechanisms. With this as a premise, we need to further improve the leadership and management systems of banks, create an authoritative central bank macro-control system, and strengthen the central bank's leadership of commercial banks. We need to further deepen internal reform within banks, transform the way they operate, create bank risk mechanisms and restraint mechanisms, and fundamentally change the situation in which commercial banks all get the same treatment from the central bank, and enterprises all get the same treatment from commercial banks, regardless of how different their situations may be. We need to further strengthen macro-control of banking, with special emphasis on tightening indirect control measures, and further improve the auditing system. We also need to enact new and revise existing banking laws and regulations to compel all types of financial institutions to operate and perform their respective functions in accordance with the law, and to render their activities more standardized and grounded in law.

In order to deepen reform of the financial system, we need to emancipate our minds, stay grounded in reality and proceed vigorously but prudently. Financial reform affects all aspects of economic restructuring and the development of the national economy, and we may well encounter new

situations and problems in its implementation. So, we need to actively encourage investigations and studies, be sure to research and analyze a number of deep-seated conflicts and problems in economic activities, become adept at making the best of any circumstance, stay on top of the overall situation, and keep the initiative in our financial work.

SPEECH AT THE FIRST SESSION OF THE EIGHTH NATIONAL PEOPLE'S CONGRESS

March 31, 1993

This session of the congress has elected me President of the People's Republic of China, and I extend my heartfelt thanks to each deputy and the people of all of our country's ethnic groups for the trust you have placed in me. The president of our country bears huge and heavy responsibilities. I will faithfully execute my duties as mandated by the Constitution, scrupulously fulfill my responsibilities, work diligently and strive to be worthy of the great trust you deputies and the people throughout the country have placed in me.

When he was President of China, Comrade Yang Shangkun[1] unwaveringly adhered to the theory of building socialism with Chinese characteristics and the Party's basic line, devoted himself to developing and reforming the country, and won domestic acclaim and international praise for his great accomplishments. We would like to express our heartfelt thanks and respect to him!

Fellow Deputies,

Viewed from the standpoint of the international environment and domestic conditions, the next five years will be an extremely important and valuable time for bringing prosperity to our country and promoting the cause of socialism. If we successfully complete all of the tasks set forth at this session, we will make great strides toward creating a socialist market economy. This will enable us to reach our target of quadrupling the 1980 GNP ahead of schedule and make significant progress in improving socialist democracy and the socialist legal system and promoting cultural and ethical progress, and it will also lay a good foundation for us to march vigorously into the 21st century.

Since the Third Plenary Session of the Eleventh Central Committee, the central collective leadership, with Comrade Deng Xiaoping at its core, has led our people along the path of building socialism with Chinese characteristics, which has ushered in a new period of vigorous growth in our country. In carrying out the many difficult tasks we face in reform, opening up and modernization, what is most fundamental is to be guided by

Comrade Deng's theory of building socialism with Chinese characteristics and the Party's basic line; actively, comprehensively and correctly put into practice the guiding principles of the Fourteenth National Party Congress; seize every opportunity to deepen reform and accelerate development; concentrate our energy on economic development; and promote all-round social progress.

Our socialist modernization drive is still in the difficult beginning stage. Our great pioneering efforts require the support and encouragement of a great pioneering spirit. In this new period in which we are modernizing, we need to strongly promote and foster a pioneering spirit of emancipating our minds, seeking truth from facts, actively exploring, boldly innovating, working hard, constantly advancing in defiance of difficulties, learning from abroad, constantly improving ourselves, being modest and prudent while avoiding arrogance and impetuosity, working together for the overall interests, being frugal and incorruptible, and unselfishly contributing to making our country stronger. The pith and the marrow of this spirit lie in emancipating our minds and seeking truth from facts, which Comrade Deng has repeatedly advocated and expounded on. State agencies at all levels and their employees need to serve as model public servants in this regard.

"Peaceful reunification and one country, two systems" are our inflexible principle in the great cause of reunifying the motherland. We adamantly oppose "two Chinas," "one China, one Taiwan," or "one country, two governments" in any form, firmly oppose any attempts or activities promoting Taiwan independence, and will resolutely safeguard China's sovereignty and territorial integrity. We will strictly implement the Basic Law of Hong Kong as well as the Basic Law of Macao, which was passed at this session, and we will overcome all difficulties and remove all obstacles to Hong Kong's and Macao's smooth transition and to their long-term stability and prosperity.

We will always carry out an independent foreign policy of peace, and maintain and develop friendly relations and cooperation with all countries on the basis of the Five Principles of Peaceful Coexistence. In our foreign contacts, we will never impose our will on others, nor ever let others interfere in our internal affairs. We firmly oppose hegemonism and power politics and will continue to strive untiringly to create a new world order that is peaceful, stable, just and equitable.

The industrious, bold and intelligent Chinese nation has made great

contributions to world civilization in the past. Under the great banner of patriotism and socialism, we will close our ranks, grasp favorable opportunities, and concentrate on developing our country so that by the end of this century, our economy will enter a new stage and the living standards of the Chinese people, who account for one fifth of the world's population, reach the level of moderate prosperity. This is not only a great undertaking in Chinese history, but a magnificent achievement in human progress in the 20th century. As long as we unwaveringly exert ourselves in building socialism with Chinese characteristics, the Chinese people, who have put the vicissitudes of history behind them and become self-confident, self-supporting and strong, will inherit a brighter future.

[1] Yang Shangkun (1907-98) a native of Tongnan, Sichuan Province (presently Tongnan, Chongqing), joined the CPC in 1926. He served as an alternate member of the Central Committee, member of the Central Committee, member of the Political Bureau of the Central Committee, Director of the General Office of the Central Committee, and alternate member of the Secretariat of the Central Committee, Vice Chairman and Secretary General of the Standing Committee of the NPC, and First Vice Chairman of the Central Military Commission. He served as President of China from 1988 to 1993.

CHILDREN ARE OUR COUNTRY'S FUTURE*

May 28, 1993

Children are our country's future, and when they are young they need to cultivate a love of their motherland and the aspiration to contribute to its prosperity, and develop the habits of tirelessly seeking knowledge and loving work.

* Message to children on the eve of International Children's Day (June 1).

NO DECISION-MAKING POWER WITHOUT INVESTIGATION*

July 5, 1993

One of our Party's fine traditions is emphasizing investigations and studies. Integrating theory with practice and using this integration to formulate and implement the correct line, principles and policies is a basic lesson that the Party has learned from leading the revolution, construction and reform. In the past, our Party led the people of the entire country on the path of democratic revolution and socialist revolution with Chinese characteristics, and today we lead them along the path of socialist modernization with Chinese characteristics, whose essence is to integrate the basic tenets of Marxism with China's concrete realities; use the Marxist stand, viewpoint and method to correctly understand China's circumstances; and creatively solve the problems arising in the revolution and modernization drive. This process of integration has always been premised and relied on investigations and studies. That is to say, on the basis of investigations and studies, we have achieved and constantly deepened the integration and unification of the basic tenets of Marxism with China's concrete realities.

Comrade Mao Zedong made an excellent contribution to the formation and development of our Party's fine tradition of investigations and studies. During the new-democratic revolution, he conducted numerous field investigations under extremely adverse conditions and wrote a series of influential investigative reports, including: "Analysis of the Classes in Chinese Society," "Report on an Investigation of the Peasant Movement in Hunan," "Xunwu Investigation" and "Xingguo Investigation." Comrade Mao enunciated the famous proposition, "No investigation, no right to speak."[1] After the founding of New China, he continued to travel regularly to various localities to understand the actual situations there, and he personally organized investigations and studies of a number of important issues. Together with other Central Committee leaders, he spent half a month in 1956 listening to reports from 34 ministries and commissions, thereby gaining a detailed understanding of the achievements made in all

*Excerpt from a speech at a national meeting of the heads of the policy research offices of the Party committees of provinces, autonomous regions and municipalities directly under the central government.

areas, the existing problems and the lessons learned from the work. On this basis he wrote the important article "On the Ten Major Relationships," in which he made a vigorous effort to explore the path of socialist construction suitable to China's conditions. In 1961, in order to overcome the grave difficulties besetting the national economy, understand the true situation in all areas and adopt correct policy measures, Comrade Mao personally organized three investigation teams, which were sent to Zhejiang, Hunan and Guangdong provinces to conduct investigations. Their recommendations and those of many other such teams formed the basis for formulation of the Sixty Articles on Agriculture,[2] which played an extremely important role in economic recovery and development.

Comrade Deng Xiaoping also emphasized the need for investigations and studies throughout the course of our country's revolution, construction and reform, and thus made a great contribution to the formation and development of our Party's fine tradition of investigations and studies. He pointed out that seeking truth from facts is the essence of Marxism-Leninism and Mao Zedong Thought. This famous proposition itself encompasses and embodies the importance of investigations and studies, because without investigations and studies, integrating and unifying theory with practice and seeking truth from facts would be impossible. During the three years of economic difficulties from 1959 through 1961, Comrade Deng personally carried out many investigations and studies with outstanding results that contributed to the formulation of the Seventy Articles on Industry[3] and other documents. Especially after the Third Plenary Session of the Eleventh Central Committee, Comrade Deng, on the basis of a foundation he created by rectifying the entire Party and reviewing the lessons of historical experience, conducted thorough investigations and studies on a series of important problems affecting overall economic and social development. All of this contributed greatly to creating the theory of building socialism with Chinese characteristics and laying down the Party's basic line of "one central task, two basic points." In the spring of 1992, despite the fact that he was then over 80, Comrade Deng personally went on an inspection tour of Wuchang, Shenzhen, Zhuhai and Shanghai, where he gave important talks establishing important guiding principles for accelerating our country's reform, opening up and economic development.

In short, comrades Mao and Deng are role models we should emulate in both the theoretical and practical aspects of our investigations and studies.

Adherence to investigations and studies is the basic requirement of dialectical materialist epistemology, an important channel for the Party to maintain close ties with the masses, and one of the Party's basic working methods and leadership systems. In reviewing the Party's history of over 70 years, we see that whenever everyone in the Party from top to bottom stressed the importance of investigations and studies and the guiding principles of the Party's work were in accord with objective reality, the Party's cause always progressed smoothly. And whenever we slighted investigations and studies, our subjectivity became cut off from objective reality and we made mistakes in our work, resulting in losses and even setbacks for the cause of the Party and people. Therefore, strengthening investigations and studies is not only an issue of working methods, but also an important issue affecting whether the Party and people's cause succeeds or fails.

In this new period, as we shoulder the historic responsibility for carrying out reform, opening up and modernization, all Party members, especially leading cadres at all levels, need to devote greater attention to strengthening investigations and studies. Although the objectives, content, methods and conditions of our investigations and studies have all changed, their role in the Party's decision making and all its leadership work has not changed in the slightest, but rather become ever more important. In order to meet the needs of reform and development, we can only increase the effort we put into all our investigations and studies; we cannot slacken our efforts at all. The tasks are heavy and the road is long in building socialism with Chinese characteristics, and as we progress we will encounter many complex situations and problems that require constant exploration and resolution. And any exploration into and resolution of any problem cannot dispense with investigations and studies even for an instant.

At present, following the guiding principles of Comrade Deng's talks on his southern inspection tour and of the Party's Fourteenth National Congress, we are maintaining good momentum in economic development, thoroughly carrying out all the reforms centered around establishing a socialist market economy, and making further progress in all our undertakings. We increasingly face a new situation in which opportunities need to be grasped, reform deepened and development promoted. The overall situation is very good. The better the situation is, the more important it is to keep our heads clear, guard against arrogance and rashness, and be adept at promptly discovering and resolving conflicts and problems; and the more important it is to do a good job guiding, preserving and unleashing the

enthusiasm of cadres and the masses, maintain a scientific and pragmatic attitude, provide meticulous guidance, work carefully, and maintain the initiative in steering overall economic and social development.

We should realize that there really are a number of problems on the road ahead: serious problems in our economic work, as well as problems we cannot neglect in the areas of public order, cultural and ethical progress, and Party building. When such problems arise, we cannot let ourselves panic and be caught off guard. We need to resolve them by adopting a positive attitude and taking careful steps. Our historical experience tells us that if we do not deal with them promptly and well, a number of new social problems could arise. What is most important is that we need to unwaveringly implement the Party's basic line, constantly focus on economic development, grasp opportunities and accelerate development, while at the same time working effectively, avoiding losses, and striving to raise the national economy to a new level every few years. Development is the absolute principle. Solving the problems on the road ahead will better ensure and promote development; the two go in tandem. Only if the economy develops considerably and the country's economic strength and our overall national strength greatly increase will it be possible for the people's standard of living to constantly improve, the state to maintain long-term stability, us to hold our heads up high, our words to carry weight on the international stage and the number of our friends to increase. Comrade Deng has repeatedly stressed that development is the absolute principle, and this is the gist of its absoluteness.

We cannot lose the opportunity to concentrate our efforts on doing a better job of economic development, and the key to success is deepening reform. Deepening reform is also the key to correctly resolving the conflicts and problems on the road ahead. This is because the basic reason why these conflicts and problems will appear is that a new economic system has not yet come into being and the various economic relations have not yet been completely straightened out. We cannot continue to use the old methods of the planned economy to resolve these conflicts and problems. These methods will either not resolve them or do so poorly. We must accelerate development of a socialist market economy and strive to find new ways to solve problems. This is the basic way forward.

The central leadership is now studying the problem of how to accelerate the establishment of a socialist market economy. It has already organized teams led by leaders of relevant departments of the Central

Committee and the State Council to conduct investigations and studies in localities. I hope that leaders of all the provinces, autonomous regions and municipalities directly under the central government, as well as leaders of policy research offices and other agencies, will go down among the masses and carry out extensive investigations and studies, especially systematic investigations of special and typical cases, centered around the key issues of deepening economic restructuring and economic and social development. In short, all Party members must penetrate to the actual situation in every area and energetically undertake investigations and studies guided by Comrade Deng's theory of building socialism with Chinese characteristics and the Party's basic line in order to grasp opportunities, deepen reform, and promote rapid and sound economic development; to ensure scientific formulation and effective implementation of the Party's policy decisions in these new circumstances; and to correctly solve the problems on the road ahead.

Historical experience demonstrates that the solution to all manner of problems is based on correct policy decisions, and the source of these decisions lies in careful investigations and studies of objective reality. Anyone who does not understand the real situation, relies on past experience, takes things for granted, concocts solutions or takes his or her subjective desires as objective reality cannot make correct policy decisions. Therefore, the higher a leader's rank, the more important it is for him or her to personally put a lot of effort into investigations and studies of major issues. This is work that cannot be delegated to others. Anyone who does not investigate issues does not have the right to speak about them, and even less the right to make decisions about them.

Here I again want to state that leaders at and above the county level, especially principal leaders, must take the lead in energetically conducting investigations and studies. First, they should set aside one or two months every year in which to carry out investigations and studies at the primary level. This means that when they go to rural areas, they should go to villages and to people's homes, and when they go to factories they should visit workshops and production teams, and it means they should personally listen to what the masses have to say and understand what they think and desire and what they welcome and oppose. Every leading cadre should become close friends with a number of workers, farmers and intellectuals and have frequent heart-to-heart conversations with them. In this way, when they supervise work, they can genuinely understand what the masses

are thinking, share their worries and conform to reality. Second, they need to conduct systematic investigations and studies of major problems in their localities and departments that urgently need to be solved and then adopt correct measures for dealing with them. Third, all leading cadres should personally write their own investigative reports. These reports should contain their personal understanding of the facts, their personal interpretation of the problem and the methods they advocate for solving it. These reports should be submitted to the Party committees at their level and the next higher level. Valuable investigative reports should be promptly circulated. Every year, the Party committees of every province, autonomous region and municipality under the central government should submit a selection of outstanding investigative reports to the Central Committee for its reference in making policy decisions.

There is much to be gained from all Party members, especially leading cadres at all levels, engaging in this most basic task of investigations and studies very thoroughly: doing this work well enables leading bodies and cadres to maintain close contacts with the masses and with real life. This is beneficial for preventing and diminishing bureaucracy, formalism and subjectivism in our work. It can give leading cadres an understanding of the actual situation that leads to greater consensus and less discord, and it is conducive to common understanding and concerted action. It can provide abundant firsthand material for decision making by leading organs, and is beneficial for making scientific analyses and judgments that accord with the facts and for formulating correct principles and policies. It can also facilitate the prompt discovery of new problems, including tendencies, so that corrective measures can quickly be taken, thereby lessening and avoiding mistakes. It also has other benefits. Man makes plans, and man also determines the outcome. It may be said that steadfastly conducting investigations and studies forms the basis of our planning and is the path to our success.

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[1] "Oppose Book Worship," *Selected Works of Mao Zedong,* Chin. ed., People's Publishing House, Beijing, 1991, Vol. I, p. 109.

[2] The Sixty Articles on Agriculture, also called the Sixty Articles on the Work in the Rural People's Communes, are the 60-article Regulations on the Work in the Rural People's Communes (Draft) formulated by the Central Committee in March 1961. On September 27, 1962, the Regulations on the Work in the Rural People's Communes (Revised Draft) were formally enacted at the Tenth Plenary Session of the Eighth Central Committee.

[3] The Seventy Articles on Industry, also called the Seventy Articles on State-Owned Industrial

Enterprises, are the 70-article Regulations on the Work in State-Owned Industrial Enterprises (Draft) formulated by the Central Committee in September 1961. The discussion and trial implementation of this document played a positive role in the review of the experience managing state-owned industrial enterprises; implementing the principles set forth at the time for readjusting, consolidating, filling out and improving the national economy; and promoting China's industrial revival and development.

OUR DIPLOMATIC WORK MUST UNSWERVINGLY SAFEGUARD THE HIGHEST INTERESTS OF THE STATE AND THE NATION*

July 12, 1993

At present, the international situation is favorable for our country. The trend toward multipolarization of the world is gathering momentum, and a new structure will eventually emerge in which many kinds of forces compete and coexist. The coexistence of a variety of forces means that there will be competition and conflict as well as coordination and cooperation, and that no one will be able to annihilate or dominate any of the others. In this kind of situation, the factors beneficial to our country will constantly increase. As for the problem of war and peace, another world war will not occur for a relatively long time, and we will not become embroiled in local conflicts occurring relatively far from us. Our country's neighboring environment has fundamentally improved, which is beneficial for our multilevel, multichannel, all-round opening up. The problems and conflicts between developed Western countries are just beginning to manifest themselves and spread, and some countries are no longer as free to do whatever they please as in the past, which gives us more room to maneuver diplomatically. The issue of development has already become a central concern for countries around the world, and forms one of the focuses of international competition. The main orientation of the strategic realignment of forces is: greater concern for one's own vital interests, greater attention to domestic issues, greater emphasis on economic security, and setting state strategy more prominently in service to global competition in overall national strength. All the world's countries, especially big powers, are carrying out economic restructuring and striving to develop high technology. This offers us good opportunities to import capital, technology and advanced managerial expertise. In addition, we can still unite with and rely on other third world countries now in the process of further awakening. Our country's situation is much better than it was just four years ago. Looking around the world, we can see that many countries, especially big powers, are currently endur-

* Excerpt from a speech at the Eighth Meeting of Chinese Diplomatic Envoys Posted Abroad.

ing greater hardship than us. As long as we keep our sights firmly set on economic development as our central task, our economic work and other undertakings develop, and our country becomes stronger, we will be able to overcome any difficulties we encounter with relative ease. We Chinese have a saying, "Sit tight in the fishing boat despite the rising wind and waves." There is no need to worry. We are full of confidence about our future.

For a relatively long time into the future, the United States will remain our main diplomatic adversary. One aspect of our relations with the United States is characterized by conflict and mutual animosity, but another involves interdependence and cooperation. America's position and role in the world today determine that it is our main adversary in international dealings. Since the end of the Cold War, the United States has faced many difficulties and challenges both domestically and internationally, but it remains the country with the greatest overall strength, and the most economically and militarily powerful country in the world. It is still the leader of the Western world, and Japan and Western Europe are still not its equal. Whether we can maintain stable relations with the United States has far-reaching implications. The United States is still our primary export market and an important source of capital, technology and advanced managerial expertise. Preserving and developing our relations with the United States is therefore strategically important for China.

Historically, the United States has had a two-sided policy toward China. The long-term strategic objective of some Americans has been to promote peaceful evolution toward capitalism in China. Basically, they are not willing to let China unite, develop and become strong, and they will continue to apply pressure to China on the issues of human rights, trade, arms sales, Taiwan and the Dalai Lama.[1] The United States takes an imperious attitude and a posture of hegemonism and power politics in its dealings with China. On the other hand, due to considerations of its own global strategic interests and real economic interests as well as our country's vast market, the United States is forced to seek our cooperation in dealing with various international affairs, and must maintain normal relations with China in order to develop economic and trade cooperation.

How to deal with the United States is an important issue in our diplomatic work. Simply stated, we need to be both combative and conciliatory. We need to have combative spirit and skills, while justifiably pursuing our advantages with restraint, and make safeguarding our country's fundamental interests our primary objective. Of course the Clinton[2] administration

has shown a certain degree of flexibility toward China and made a number of positive gestures toward improving relations between our countries. We should grasp the favorable opportunities, accomplish more, put our relations on a stable course as soon as possible, and constantly improve and develop them. At the same time, we have to stand up to the United States on certain issues; we cannot give in when they are being unreasonable. Otherwise, they will perceive us as weak and easy to bully and think that when we give an inch they can take a yard. This will have a negative effect on the stability and development of our relations. We need to work hard to maintain stable relations with the United States to promote the further development of our relations with Japan, the European Union and other American allies. Conversely, we need to actively develop our relations with America's allies in order to keep our relations with the United States progressing steadily.

Many other developing countries share a common language with us in opposing hegemonism and power politics, safeguarding national independence and sovereignty, preserving peace, preventing war, and developing their economies. We have always taken strengthening unity and cooperation with other developing countries as a cornerstone of our foreign policy. They are our allies. It is necessary for us to form a united front with many other third world countries based on the current international situation and our country's strategic needs. It must be pointed out, however, that we use the term "united front" in a somewhat different sense now than in the past. Our current usage of the term does not single out any country or group of countries, nor does it imply that we will organize a united front, much less lead it. This united front opposes hegemonism and power politics. It is not organized by anyone; rather it is a collaborative activity that occurs naturally in certain international circumstances to deal with certain problems. For example, concerning the issue of human rights, China and many other developing countries strongly oppose some Western countries imposing their human rights conceptions on others, and even more strongly oppose their using the human rights issue as a stalking horse to interfere in other countries' internal affairs. At the most recent World Conference on Human Rights, a number of developing countries, including China, formed a united front, carried out a resolute struggle against those resorting to this pretext, and thwarted their political plot.

Forming a united front with other developing countries to oppose hegemonism and power politics is one of our country's important diplomatic

strategies, which we need to actively promote and skillfully employ. We need to devote ourselves to finding common ground while preserving differences and strive to unite with as many friends as possible on a number of key issues. On issues where Western countries have differing standpoints, we should make the most of the situation and get as many people as possible to side with us.

The fundamental objective of our diplomatic work is to further consolidate and develop a peaceful international environment — especially a neighboring environment — beneficial to China in order to serve its reform, opening up and economic development, as well as the great cause of reunifying the motherland. In fact, our objective can be summed up in a single sentence — our diplomatic work must unswervingly safeguard the highest interests of the state and the nation.

How can we achieve this fundamental objective? I think we first need to dialectically address and manage the following relationships.

The relationship between far and near: From the perspective of geopolitics and geo-economics, we have little influence over major international problems and regional conflicts occurring far from us, so we should stand relatively aloof from them while championing justice. However, major problems occurring on our doorstep directly affect our security and economic interests, and we should deal with them earnestly, exercise our influence and play our role fully and adroitly, safeguard our country's fundamental interests to the greatest possible extent, and preserve all reasonable common interests.

The relationship between benefits and detriments: Our general principle is to seek benefits and avoid harm and to strive to transform detriments into benefits. In international exchanges and conflicts, we should support situations that are entirely beneficial to us, or whose benefits outweigh their detriments, and derive what benefits we may. Conversely, we must counter situations that are of detriment to us or whose detriments outweigh their benefits and avoid them.

The relationship between steadfastness and innovation: In our diplomatic work, principles and policies laid out by the central leadership must be implemented punctiliously and without slightest carelessness. In addition, they must be put into effect with due consideration for the actual situations in the countries where our diplomats are stationed, and in our departments, embassies and consulates, but they should not be followed verbatim and mechanically. We must encourage our diplomats to exercise

their initiative based on the principle of seeking truth from facts and to boldly make new comments and suggestions for the central leadership to consider in making policy decisions.

The relationship between long-term and immediate interests: In dealing with international relations and engaging in international conflicts, the problem of long-term and immediate interests arises. Obviously, the best situation is to serve them both. However, there are times when the two are in conflict. In such situations, we should unhesitatingly subordinate immediate interests to long-term interests.

The relationship between part and whole: Our country's diplomacy is a highly concentrated and unified comprehensive diplomacy. Under the guidance of the central leadership's policies on diplomacy, all departments, including those involved in foreign affairs, must properly balance the relationship between part and whole. We need to stay focused on the overall picture and always subordinate the part to the whole and make it serve the whole. The fundamental interests of the state and the nation depend on this. We need to seek to control without suppression and enliven without producing chaos. We must also recognize that in diplomacy nothing is insignificant and that diplomatic authority is limited. All departments must resolutely implement the central leadership's diplomatic policies. We cannot allow different departments to formulate their own policies and do as they please. If they did, significant problems could arise and major incidents could occur that would affect the country's reputation.

There are comrades from the departments of the State Council present at today's meeting. We should put ourselves in the shoes of our embassies and consulates abroad and consider their difficulties. At present, everyone wants to go abroad. All departments, large and small, have people overseas, and provinces, cities, counties, townships and even villages are sending people abroad for business and inspection tours. Multitudes are going in group upon group. Many of them turn their inspection tours in Southeast Asia, Western Europe or North America into vacations at the state's expense. Hong Kong nightclubs all have mainland visitors who become bolder all the time. It will be probably very difficult to control this problem through diplomatic discipline alone; it needs to be solved through the management system. I served as head of the bureau of foreign affairs for many years. People then had to study before going abroad. I don't know whether such study is still being organized. In the past, people going abroad were taught lessons from others' experiences abroad and told to pay attention to

certain problems. Now, this mania to go abroad must be stopped. People who brazenly go to nightclubs, gambling dens and sex shows are utterly shameless and must be dealt with severely. Leaders of all localities and departments need to pay close attention to this problem and greatly intensify supervision and education.

Experience shows that we not only have a complete set of diplomatic principles, policies, strategies and tactics, but also have a strong and militant diplomatic corps. Without our diplomatic corps, our great successes on the diplomatic front would be unimaginable. In this complex and volatile international situation, diplomatic work faces ever more onerous tasks and places ever higher demands on our diplomats.

We need to study hard and study well, not only theory and policies, but also specialized knowledge such as economics and law, and improve our foreign language ability. Stressing study does not mean making people learn useless facts; rather it means requiring them to digest what they read in light of realities in order to improve the quality and level of work and better carry out the central leadership's principles and policies.

We need to intensify investigations and studies. At present, the international situation can change overnight, and diplomats need to stay abreast of affairs, greatly increase investigations and studies of the countries and regions where they are stationed and of the international situation in order to promptly take cognizance of new events and problems and make recommendations for dealing with them.

We need to boldly explore new areas and innovate. We should actively carry out diplomatic activities, make friends with many people, become close friends with some, energetically make progress and get things done.

We need to draw upon and carry forward the fine traditions and work style of our country's diplomatic corps initiated by comrades Mao Zedong and Zhou Enlai, safeguard the prestige of the state in everything we do, and uphold the nation's dignity. We should work hard and be like the lotus flower that grows out of the muck without being defiled. At present, international conflicts are fierce and complex, and some embassies and consulates are in regions beset by war and chaos and the lives of our people there are at risk. We should have an intrepid spirit and not be afraid to suffer or even sacrifice our lives. We should have the valiant courage exemplified by the words, "What man was ever immune from death? Let me but leave a loyal heart shining in the pages of history."[3]

[1] "On Ethnic Work," note 4, p. 184, this volume.

[2] Bill Clinton (1946-), a member of the Democratic Party of the United States, served as US President from 1993 to 2001.

[3] Wen Tianxiang (1236-83), Southern Song Dynasty, "Crossing the Lingding Sea."

INTENSIFY THE FIGHT AGAINST CORRUPTION AND PROMOTE GOOD PARTY CONDUCT AND CLEAN GOVERNMENT*

August 21, 1993

This plenary session of the Central Commission for Discipline Inspection is very important. Based on the guidelines of the central leadership, participants at this session will make specific arrangements for intensifying the fight against corruption and promoting good Party conduct and clean government in the short term. The Central Committee and the State Council attach great importance to this session. Party committees and governments at all levels must conscientiously implement the guiding principles of this meeting, make combating corruption an important political task, perform this task better, and be sure to achieve significant results quickly.

I. We must consolidate and build on the prevailing favorable environment.

Following the guiding principles of Comrade Deng Xiaoping's important talks during his inspection tour of the south and of the Fourteenth National Party Congress, our national economy has been growing robustly, additional progress has been made in opening up and in all the reforms designed to create a socialist market economy, and further successes have been achieved in our other undertakings. The overall situation is very good. But the better the situation becomes, the more watchful we must be in order to promptly discover and resolve conflicts and problems that crop up in the course of our progress. In this way we can do a good job guiding, preserving and unleashing the enthusiasm of cadres and the masses, better seize favorable opportunities, make economic development our central task, deepen reform, speed up development, do our best to boost the national economy to a new level within a few years, and stimulate all-round social progress. To this end, the central leadership has conscientiously analyzed the current situation and made the policy decision to deepen reform and strengthen and improve macro-control of the national economy

*Speech at the Second Plenary Session of the Central Commission for Discipline Inspection of the CPC.

in order to resolve a number of serious conflicts and problems arising in the course of our progress. At the same time, it has made arrangements for improving all facets of public security and strengthening the Party's self-improvement work. This meeting of the Central Commission for Discipline Inspection is devoted to discussing and making arrangements for anti-corruption work. All of this is being done to energetically, comprehensively and correctly put into practice the guiding principles of Comrade Deng's important talks and of the Fourteenth Congress, and to consolidate and build on the current good situation. All leading cadres, especially high-ranking ones, need to adapt the general arrangements of the central leadership to the actual conditions prevailing in their regions or departments, and do their work energetically and well to ensure that the central leadership's policy decisions are carried out.

II. We must realistically assess the current state of the battle against corruption.

There are two points I wish to make concerning this issue. First, our Party's line is correct, the Party is by and large sound, and most of its members and cadres perform their official duties honestly. The great economic growth and all-round social progress we have achieved over the past ten-plus years are the result of Party members and cadres uniting with and working alongside the masses. The battle against corruption has also achieved results. These are basic facts. Second, corruption exists within the Party and in government bodies, and in some places it is growing. Party members, cadres and the general public are all deeply concerned by this problem and fervently hope we take decisive measures to resolve it. We can neither deny that the Party is by and large sound, nor may we underestimate the severity and harmfulness of corruption. Corruption is a virus infecting the body of the Party and government. If we take it lightly and allow it to spread, it will wreck the Party, cause us to lose the people's political power, and undermine our great cause of socialist modernization. Our Party, our cadres and our people will absolutely not tolerate such a development. We need to both tenaciously struggle against corruption and vigilantly guard against hostile forces using this problem to defame the Party and socialism. The CPC is a great, well-tested and militant party. The Chinese people are a great nation with a glorious revolutionary tradition. The Party led the people in founding New China; establishing the socialist system; and creating the new environment of reform, opening up and

modernization, so it is also perfectly able to overcome corruption through reliance on its own strength and the support of the people.

III. Fighting corruption is a prerequisite for implementing the Party's basic line and an important guarantee for concentrating our energy on economic development.

We need to always adhere to Comrade Deng's theory of building socialism with Chinese characteristics and the Party's basic line; firmly set economic development as our central task; unwaveringly develop the socialist market economy, socialist democratic politics and socialist culture and ethics through reform; and transform China into a prosperous, strong, democratic, culturally advanced and modern socialist country. All of our work needs to serve the central task of economic development, and may not obstruct efforts to accomplish that task. The anti-corruption battle is an important task that is indispensable for ensuring the smooth progress of reform, opening up and economic development, and an important aspect of improving socialist culture and ethics. If we do not resolutely overcome corruption, we may fail in building socialism with Chinese characteristics. It is wrong to think that fighting corruption is antagonistic to developing the economy or carrying out reform and opening up, or that cracking down on corruption will adversely affect economic development or reform and opening up. It is also wrong not to stay focused on economic development as our central task in the course of fighting corruption and better serve economic development, reform and opening up.

IV. The entire Party must restudy Comrade Deng's views on improving Party conduct, strengthening clean government and combating corruption.

Since the Third Plenary Session of the Eleventh Central Committee, our Party has attached importance to improving Party conduct, strengthening clean government and combating corruption in the course of guiding reform, opening up and modernization. Comrade Deng issued a series of important directives on these matters, the most important of which are:

— To achieve modernization, we need to have a firm and consistent political line, political stability and unity, a contingent of cadres with an unswervingly socialist orientation and professional knowledge and competence, and a pioneering spirit of hard struggle; and also work in an industrious and genuine manner. After some progress has been achieved in

developing the economy and improving people's lives, we need to tell the people, including Party members, of the need to further carry on the tradition of hard struggle. The more the economy improves, the more important it becomes to advocate hard work and plain living. From now on, we need to emphasize educating the people regarding the need for hard work and plain living. The more developed our country becomes, the more we will need the pioneering spirit of hard struggle. Encouraging such a spirit will also help to overcome corruption.

— A significant number of cadres have been corrupted in the year or two since we adopted the policy of opening to the outside world and invigorating our domestic economy. We must not underestimate the gravity of this: it is an ill and baleful wind. Indeed, unless the Party takes a serious view of this situation and firmly stops it, the question may arise as to whether the nature of our Party and state will change. This is not just alarmist talk.

— We have made notable achievements in economic development, and the economic situation is gratifying. This is quite an achievement for our country. But if standards of social conduct deteriorate, what's the use of achieving economic development? Worse, deteriorating social standards will in turn lead to a qualitative change in the economy, eventually producing a society in which embezzlement, theft and bribery are rampant.

— We need to carry out reform and open to the outside world, while at the same time punishing corruption. When people see these two things are combined, they will have a clearer understanding of our policies and give them greater support. There are two tasks that we have to keep working at: on the one hand, reform and opening up and, on the other, the crackdown on crime. We need to be steadfast in both. We cannot be soft in combating crime and eliminating social evils. Socialism with Chinese characteristics requires both material progress and cultural and ethical progress.

— As long as we pursue the policies of opening to the outside world and invigorating the domestic economy, we will have to continue our efforts to improve Party conduct, correct bad tendencies and crack down on crime. This is the only way to ensure correct implementation of our policies. We will have to continue to fight corruption throughout the course of reform and opening up.

— Improving the Party's work style is the key to raising the standard of social conduct, we must first of all improve the Party's work style. Improving Party conduct is the key to improving general social conduct. We have

stressed the need to punish corruption on many occasions, so why do we have so little to show for it? Perhaps the fault lies within the Party. Some of our comrades immerse themselves in concrete tasks, have no concern for political developments and disregard ideological work. They have not been sufficiently vigilant against corruption and have not taken effective measures to stop it. If any problem arises in China, it will arise from within the Communist Party. The key lies in running the Party well.

— High-ranking cadres should lead the way in promoting the Party's fine traditions. To rectify the Party's work style and improve social conduct, we should start with high-ranking cadres.

— Just as the country must have laws, so must the Party have rules and regulations. The Party Constitution contains the Party's basic rules and regulations. Without Party rules and regulations, it would be hard to ensure that the laws of the state are enforced. The task of the Party's commissions for discipline inspection and its organization departments at all levels is not only to deal with particular cases but, more importantly, to uphold the Party's rules and regulations and effectively improve its style of work. Disciplinary measures should be taken against all persons who violate Party discipline, no matter who they are, so that a clear distinction is made between merits and demerits, rewards and penalties are meted out as deserved, rectitude prevails and bad tendencies are checked. To build clean government we need to rely on education and the legal system.

— We need to be good at learning from experience in battling corruption and promoting clean government. If we are, we will move forward at a steadier and faster pace.

Comrade Deng's above directives on improving Party conduct, cleaning up government and fighting corruption are an important component of the theory of building socialism with Chinese characteristics. All Party members, especially leading cadres at all levels, need to restudy these directives and acquire a deeper understanding of their essence when they study the theory of building socialism with Chinese characteristics, and use them to fortify their thinking and lead anti-corruption work.

V. We must correctly understand the social and historical causes for the emergence of corruption.

Corruption is a historical phenomenon. Its main manifestations are graft and perversion of justice, the offer and acceptance of bribes, racketeering, extortion, influence peddling, squandering public money and

becoming degenerate. In its essence, this phenomenon is the product of a system of exploitation and an exploiting class. In Chinese history there have been upright emperors and officials devoted to the country's welfare, but throughout China's history the ruling class was never able to solve the problem of corruption. By its very nature, the exploiting class stood in opposition to the people, and political corruption played an important role in the overthrow of all of China's dynasties.

The CPC is the vanguard of the Chinese working class, and the Party's fundamental purpose is to serve the people wholeheartedly. The nature of socialism is to liberate and develop the productive forces and eliminate exploitation and polarization in order to eventually achieve prosperity for all. The Communist Party and the socialist system are thus by nature inimical to corruption in any form. Since it was founded, the Party has constantly improved itself, fought against the influence of the exploiting class and against negative and corrupt phenomena, striven to preserve its purity, and emphasized cleaning up government as it led the country's revolution and construction. During the Yan'an period, the Party led the formulation of the Regulations on Punishing Corruption in the Shaanxi-Gansu-Ningxia Border Region (Draft). In 1944, Chairman Mao called on the Party ranks to study Guo Moruo's[1] celebrated essay "The Tercentenary of the 1644 Uprising,"[2] which reviews the lessons to be learned from the failure of Li Zicheng's peasant uprising, so that the entire Party "may take warning from this story and not repeat the error of becoming conceited at the moment of success."[3] In July 1945, Chairman Mao held a discussion with Huang Yanpei[4] on how the Communist Party could escape from the historical cycle of sliding into decline after achieving success. Chairman Mao laid out the important precepts of relying on democracy and the people's oversight of the government to prevent negative and corrupt phenomena from arising. At the Second Plenary Session of the Seventh Central Committee on the eve of the founding of the People's Republic, he warned all Party members once again to remain modest, prudent and free from arrogance and rashness in their style of work; to preserve a style of plain living and hard struggle; and to be vigilant against attacks by the bourgeoisie using sugar-coated bullets. After the founding of the People's Republic, the Party received worldwide recognition for its success in sweeping away the filth and mire of the old society and keeping Party and government agencies honest and clean. Comrade Deng discussed this in his important talks during his inspection tour of the south. He said, "After the founding

of New China, it took only three years to wipe these things out. Who in this world has ever been able to eliminate the abuse of opium and heroin? Neither the Kuomintang nor the capitalist countries. But facts have shown that the Communist Party was able to do it."[5] The experience of many localities in recent years shows that if we are serious in combating corruption we can be successful. The Party unequivocally calls for and steadfastly carries out the battle against corruption, and this is a manifestation of the Party's strength.

There are a variety of complex reasons why corruption persists in China under socialism. China has a long history of feudalism, and the influence of feudalism and other forms of exploitive class thought will persist for a long time and manifest themselves in a variety of ways. In opening to the outside world, we are drawing upon and employing the modern achievements of other countries in the world, including developed capitalist countries, and this opens a window for the decadent aspects of capitalism to burrow their way in. In instituting a socialist market economy, we have to undergo the difficult process of replacing the old with the new. During this process, our institutions and mechanisms are not as complete and sound as they need to be, and there are loopholes and weak links in our work, which are breeding grounds for corruption. In recent years, some localities and organizations have put too little effort into the ideological and political education of Party members and cadres. This has allowed money worship, hedonism and ultra-individualism to take root among some Party members and cadres, and this also is an important reason why corruption has been able to spread.

We need to realize that the fight against corruption will be a long and difficult undertaking and also realistically adopt effective measures with a sense of urgency to firmly halt its spread and solve the most conspicuous problems.

VI. We need to focus on the following important tasks in the short term in the fight against corruption.

1. Leading cadres of the Party and government at all levels need to set an example in being incorruptible and self-disciplined. On the basis of new situations and problems that have recently emerged, new requirements concerning incorruptibility and self-discipline have been imposed at this session on leading cadres in Party and government agencies at and above the county level, and these requirements must be strictly observed and car-

ried out. Leading cadres at and above the provincial and ministerial level need to particularly set a good example. Party committees and discipline inspection and supervision agencies at all levels need to tighten their oversight and investigation.

2. We need to focus our efforts on investigating and dealing with a number of large and important cases. We need to focus on investigating and dealing with cases concerning employees of leading bodies of the Party and government, the judiciary, administrative law enforcement agencies, and economic regulatory agencies.

3. Everyone needs to focus on significant problems in his or her own locality, department or organization, correct the unhealthy tendencies that the people most resent, and make significant achievements by the end of this year. We need to concentrate on eliminating arbitrary and illegal fee collection throughout the country, particularly fee collection by state agencies abusing their power. The State Council is preparing a decision on this matter. No Party or government agencies at any level are permitted to engage in business activities, and those currently doing so must divest themselves of their business activities. Revenues and expenditures must be segregated; law enforcement agencies must turn over all fines they collect to the central or local treasury, and all the expenses of Party and government agencies must be defrayed by financial authorities at the relevant level. State organs are to solve important problems on a case-by-case basis. For example, the railroads need to correct the problem of employees pocketing proceeds from the use of freight cars or the sale of tickets; financial and fiscal departments need to put a stop to corrupt practices, with the focus on the three-point decrees;[6] and agricultural departments need to continue their work of reducing the financial burdens on farmers. Other departments need to take their own actual conditions as their starting point and handle whatever prominent problems may arise. I particularly want to emphasize that, because public security and procuratorial organs, people's courts, the customs service and border control departments bear a heavy responsibility for defending state interests and public security, it is thus vital for them to set an example in observing discipline and the law, act in strict accordance with the law and conscientiously improve themselves.

Party committees and governments at all levels must resolutely enforce all the orders and prohibitions set forth in the preceding three paragraphs. Anyone who doesn't obey or defies orders must be resolutely dealt with without leniency.

VII. The fight against corruption must be carried out in accordance with the following principles.

1. We need to adhere to the Party's basic line, stay focused on our central task of economic development and promote reform and development.

2. We need to focus on the main issues. This anti-corruption campaign is being carried out in Party and government agencies. It is focused on leading Party and government agencies, the judiciary, administrative law enforcement agencies, and economic regulatory agencies.

3. We need to start with high-ranking cadres, then proceed to other leading cadres, including members of their staffs.

4. All cases need to be dealt with in strict compliance with the law. We need to thoroughly investigate cases of violations of the law or discipline, ground the disposition of cases on facts, take the law and disciplinary regulations as our standard, remove people from office when circumstances warrant, convict those who commit crimes, and mete out heavy sentences to those who deserve them. Acting in this manner will dissuade a number of people from becoming corrupt and serve as a lesson for all cadres. We need to strictly deal with anyone who tries to significantly interfere with or obstruct investigative work.

5. We will not launch a mass movement to investigate everyone, although we must encourage and support the masses to inform against offenders. Specialized agencies should assume responsibility for investigating problems reported by the masses, and handle them in accordance with the law.

6. Punishing corruption needs to be closely linked with fostering probity. At the same time as we conquer corruption and punish corruptionists, we need to energetically publicize and commend role models who are honest in performing their official duties and bravely carry out the fight against corruption, as well as foster a new spirit of governing diligently for the people's wellbeing, working hard and contributing willingly. I am asking the Publicity Department of the Central Committee to undertake arrangements for publicizing anti-corruption work.

In short, we need to uphold the principle of seeking truth from facts, correctly distinguish and handle the two different types of conflicts and have a firm grasp of policy. We need to have a resolute attitude, work effectively, and solve problems conscientiously in accordance with the central leadership's requirements in order to ensure that this battle plays out in a sound and orderly manner.

VIII. We need to carry on the fight against corruption for a long time.

We need to make punishing corruption a systems engineering project, address both symptoms and root causes, deal with corruption comprehensively, and stay the course. We need to rely primarily on education and the legal system. We need to use study and education to raise the ideological and political level of all Party members and cadres, and get them to be more purposeful in serving the people wholeheartedly, resist the corrosive influence of the ideology of the exploiting class, and observe discipline and the law in exemplary fashion. We need to focus on those aspects and links most prone to corruption, learn from our experience, exercise strict discipline, create a sound system of internal management and good oversight and constraint mechanisms, and establish new and improve existing policies and regulations. Already existing laws and regulations must be strictly enforced, and ones that are inadequate should be revised and improved promptly. As circumstances change, we need to promptly enact new laws and regulations.

IX. Party committees at all levels need to strengthen leadership.

1. Fighting corruption is an important aspect of strengthening the Party and the government, and it needs to be carried out unremittingly under the unified leadership of the Party, with the Party and government working together and principal leaders personally taking charge. Both the Party and the government need to be committed to fighting corruption, and all sides need to coordinate with each other to form a united anti-corruption force.

2. We need to create a responsibility system. We need to have a clear division of labor, with a designated person specifically in charge and each level being responsible for supervising and aiding the next lower level. Higher levels must effectively strengthen guidance, inspection and oversight of lower levels. In localities and departments with serious problems, the higher level should second personnel to the lower level to help straighten things out.

3. Party committees need to improve their leadership of discipline inspection work, let discipline inspection and supervision agencies fully play their role, and effectively support this work.

Battling corruption is an important task for the entire Party. Here I want to emphasize that the Central Commission for Discipline Inspection and discipline inspection and supervision agencies at all levels need to as-

sume effective responsibility, including the responsibility to coordinate their efforts, in order to do their work well. Those working in discipline inspection and supervision are a fine group of people. Discipline inspection and supervision agencies are the primary actors in the struggle to rectify Party conduct, clean up government and combat corruption. They have accomplished a great deal in the past, and they bear a heavy responsibility now and in the future. Discipline inspection and supervision agencies have been expressly assigned the task of improving themselves in a spirit of reform at this plenary session of the Central Commission for Discipline Inspection. This is good and also necessary. Discipline inspection and supervision agencies can raise their quality and militancy, and function more effectively only if they do this. I hope that all of you will make greater contributions in this area.

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[1] Guo Moruo (1892-1978), a native of Leshan, Sichuan Province, was a writer, poet, historian, archaeologist, paleographer and social activist. He joined the CPC in 1927. After the founding of the People's Republic, he served as a member of the Central People's Government, Vice Premier of the Government Administrative Council, member of the Central Committee, Vice Chairman of the Standing Committee of the NPC, Vice Chairman of the CPPCC National Committee, President of the Chinese Academy of Sciences, and President of the China Federation of Literary and Art Circles.

[2] "The Tercentenary of the 1644 Uprising" is a historical essay published in the *Xinhua Daily* in Chongqing in March 1944. It commemorates a peasant uprising 300 years before that toppled the Ming Dynasty. The essay shows that after the peasant army led by Li Zicheng entered Beijing and overthrew the Ming Dynasty in 1644, a number of leaders became complacent as a result of their victory and were corrupted by luxurious living, and factional strife arose. As a result, after the insurrectionary army had been in Beijing for a little more than 40 days, Wu Sangui, a Ming general defending Shanhaiguan, colluded with the Qing army to carry out a joint attack on Beijing. Li Zicheng's forces were finally defeated in 1645. When this essay came to Mao Zedong's attention, he was greatly impressed by it. It was republished in the L*iberation Daily* in Yan'an and used for rectification purposes, and it was also printed in stand-alone editions in other liberated areas.

[3] "Our Study and the Current Situation," *Selected Works of Mao Tse-tung,* Eng. ed., FLP, Peking, 1975, Vol. III, p. 174.

[4] Huang Yanpei (1878-1965), a native of Chuansha, Jiangsu Province (now the Pudong New Area, Shanghai), joined the *Tongmenghui*, or the Chinese Revolutionary League, in 1905. He helped establish the China Federation of Democratic Political Groups in 1941. He visited Yan'an in July 1945 and established the China Democratic National Construction Association the same year. After the founding of the People's Republic, he served as a member of the Central People's Government, Vice Premier of the Government Administrative Council, Vice Chairman of the Standing Committee of the NPC, Vice Chairman of the CPPCC National Committee, and Chairman of the Central Committee of the China Democratic National Construction Association.

[5] "Excerpts from Talks Given in Wuchang, Shenzhen, Zhuhai and Shanghai," *Selected Works of Deng Xiaoping*, Eng. ed., FLP, Beijing, 1994, Vol. III, p. 366.

[6] There were two three-point decrees, one each for the financial system and the fiscal and tax systems, which were adopted at the National Financial Conference and the National Fiscal and Tax Conference, both of which were held in July 1993. The three-point decree for the financial system is:

immediately put a stop to unauthorized loans between financial institutions, conscientiously clean up the situation and recover the monies from all unauthorized loans already made within a fixed time; prohibit financial institutions from covertly raising interest rates on deposits and loans without authorization; and order banks to immediately desist from extending loans to any economic entities of their own creation and completely sever their connections with them. The three-point decree for the fiscal and tax systems is: tax decreases and exemptions are to be strictly controlled; deficits are to be strictly curtailed and may not be made good through banks; and no fiscal or tax authorities or any of their sub-agencies may engage in any financial business of a commercial nature without prior permission from the People's Bank of China, and they must sever connections with any companies of their own creation.

TAKE A PEACEFUL AND PROSPEROUS WORLD INTO THE 21ST CENTURY*

November 19, 1993

Sino-US relations are not only the concern of China and the United States; they should also be considered in the context of the whole world and in relation to the future into the 21st century. Today's world is unstable and is confronted by many problems. If farsighted statesmen with a sense of responsibility to humankind fail to do something for the people of the world in these last few years of the 20th century, history will not judge them kindly.

Two world wars were fought in the first half of the 20th century. Fortunately there have been no other world wars in the decades since. The Cold War is now over, and the prospects for lasting world peace have improved. However, the world is still not at peace, and upheavals and conflicts are still breaking out in various places around the world. Sometimes conflicts that could be resolved become more serious. The question facing world leaders now is what kind of world we will take into the 21st century.

We still have a few years before the end of the century to accomplish something. If on the eve of the 21st century the world is a safe, peaceful and stable place favorable for economic development — rather than one that is chaotic and filled with disturbances and conflicts and one where people do not feel safe in their own beds at night — people will feel we have done humankind a great service.

The birth of nuclear weapons in the middle of the 20th century was accompanied by the birth of nuclear deterrence, casting the dark shadow over the heads of the people of the world. To date, no solution has been found to this problem. China advocates a total ban on the use of nuclear weapons. First, all the major nuclear powers should openly declare that they will not be the first to use nuclear weapons. This stand is fair and reasonable as well as practicable. After all sides agree to this, we can then begin to work on the issue of total elimination. This is an issue of universal concern

* Excerpt from remarks to US President Bill Clinton at a formal meeting in Seattle, Washington, USA during the 1st Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting.

to humanity. If we get a good start and make some progress on this issue, people will feel safer in the next century.

There are over 1,000 different ethnic groups in more than 200 countries and regions in the world. They all live in different natural environmental conditions and have followed different paths of social development and created a wide array of lifestyles, value systems, religious beliefs and cultural traditions. The people of each country choose the social system and development model best suited to conditions in their own country and formulate effective laws and policies suitable for it. This is fair and reasonable, and deserves respect. This rich diversity in the world is a good thing, not a bad one. Every country and culture can and should interact with and learn from other countries and cultures to compensate for their weaknesses and share the accomplishments of human civilization. This can only occur, however, when the people of each country act independently in accordance with their own desires. The people of a country are the best judges of conditions there and are best qualified to determine the most suitable development path. Therefore, the government and the people of each country should be the ultimate arbiters of their own affairs without outside interference. The history of the world, especially in the last century, admonishes us that seeking to impose a development model on another country can have disastrous consequences. It always engenders resistance, chaos and even war. This is a lesson we all must heed. The diversity of the world is an objective reality that we must face head on and accept. This requires that countries show mutual respect for each other, refrain from interfering in each other's internal affairs, deal with each other on an equal basis, work to find common ground while reserving differences, coexist in peace, and develop cooperation. This is the only way we can possibly preserve lasting world peace and stability and create the international conditions necessary to enable all countries to develop. As two major powers with global influence, China and the United States should set a good example in this regard and make a positive contribution.

The Cold War may be over, but the human race is still a long way from resolving the two major issues of peace and development that have confronted it for so long. Every country is increasingly coming to understand from its own experience and the lessons of other countries that the most crucial issue they face is economic development. This is not only an economic issue with direct bearing on the immediate interests of the people of any one country; it is also a political issue bearing on a country's long-

term political stability, as well as an issue with a profound and far-reaching impact on how the international situation develops. Without economic development, there is no way to improve people's standard of living, no way for a nation to thrive, no way for a country to maintain stability, and no way to ensure international security and human progress. The economy is the foundation. In the end, political issues are always subordinate to economic ones. A country that does not manage its economy well and does not commit itself to improving the lives of its people will have difficulty in maintaining stability. A country that overestimates its own economic strength and takes on more than it can handle will soon find itself overextended and unable to accomplish its goals. The world economy is not doing very well at present, and world peace and development will be adversely affected if this situation is allowed to continue. The Chinese people are now concentrating their resources on economic development. China has obtained significant results during the last 15 years of implementation of the reform and opening up policy. This policy of China is irreversible. We will continue to implement this policy for many, many years to come. In today's world, people are mutually dependent, the economy of one country transcends its national boundaries and affects the economies of other countries, and the state of a country's economy has great potential for helping or harming other countries. China is opening its door to the outside world and wishes to strengthen economic cooperation with all other countries of the world. We appeal for all countries to adopt an open attitude, strengthen cooperation on the basis of equality and mutual benefit, and work for the development and prosperity of all. China's economic development is beneficial for the development of the United States and all other countries of the world. China's vast market has tremendous potential, and we welcome US businesses to increase their investment in China and expand their economic and trade ties with China. Adopting a policy of trying to contain China and imposing economic sanctions on it will only harm America's own interests.

On these major issues, China and the United States have common interests. China does not participate in the arms race or join military blocs and presents no threat to US security. On the other hand, if China and the United States can increase mutual trust, we can accomplish something in this world, which is now beset by numerous problems, with some small problems having the potential to spin out of control under the right circumstances and wreak considerable havoc. It is not certain where the world

is heading, and dangers still exist. China has done some work in this area and would like to accomplish even more. However, there are some things we just cannot do anything about due to lack of proper conditions. The situation has not improved and this makes us feel uneasy.

China and the United States have their differences and this is an objective fact. We believe that some issues of concern to each country can be resolved through frank and sincere dialogue. Concerning issues that cannot be resolved immediately, we can still seek common ground while reserving differences.

The United States has indicated willingness to adhere to the three Sino-US joint communiqués[1] and follow a one-China policy. We appreciate this. We respect history and the current reality in pursuing peaceful reunification of the motherland. We are willing to engage in talks with the Taiwan authorities under the one-China principle, and everything including the name and form of the talks is open to discussion. We are resolutely opposed to any wording or actions acknowledging "two Chinas" or "one China, one Taiwan." Here I must emphatically declare that if the Taiwan authorities were to pursue Taiwan independence and foreign forces were to support them in doing so, chaos in the Taiwan Straits would ensue. We could never sit idly by and let this happen. This kind of situation would be detrimental to both sides of the Taiwan Straits, to the United States, and to the peace and stability of the entire Asia-Pacific region.

Your recent letter to me indicated that China and the United States have "many common goals" and "many common interests." The United States also indicated that "a powerful, stable, modernizing and thriving China conforms to the long-term national interests of the United States." We appreciate this. We have consistently held that Sino-US relations should always be based on common interests. Though changes have taken place in the international situation, the fact that China and the United States have common interests on many issues has not changed. We advocate resolving issues through dialogue, including face-to-face talks between leaders. Direct contacts can avoid misunderstandings. Communication through public statements and the media is not a good method. We cannot resolve all issues at one meeting. I hope that our meeting, however, can open a new chapter in Sino-US relations and help put them on the track to normalcy.

I also want to talk frankly about human rights issues. Ten years ago I served as Minister of Electronics Industry in China; then as Mayor of Shanghai, a city with a population of over 12 million; and now I am

President of China, a country with a population of more than 1.1 billion. Through my work in these different positions, I have come to the profound realization that solving the problem of providing over 1.1 billion people in China with the basic necessities would solve the country's greatest human rights problem. Solving this problem would be a great contribution not only to the stability of China, but to the stability of Asia and even the rest of the world as well. Democracy, freedom and human rights are all relative, and each country has its own interpretation and understanding of them. Just as you said, when some people demand too much freedom, it can affect the freedom of others. In the final analysis, a country formulates laws that conform to its level of development, history and cultural traditions. Each country should extend contacts with and enhance understanding of other countries. What I find hard to understand is there are people in the West who say they are concerned about human rights in China, but they always fixate on a small number of lawbreakers and show no interest in the lives of the more than 1.1 billion other people of China. I have been to Tibet. The standard of living of the Tibetan people has risen considerably, and it is now many times higher than under the Dalai Lama's[2] rule. There is an ancient saying in China, "Listen to both sides and you will be enlightened, but heed only one side and you will be benighted."[3] After listening more and seeing more, one can gain a fuller understanding. As for negotiation with the Dalai Lama, as long as he acknowledges that Tibet is an inseparable part of China, we can discuss any issue.

I would like to urge that when the US Congress discusses China's most-favored nation status next year, you tell it that most-favored nation status is not a unilateral gift, nor can it be considered charity. It benefits both sides and thus should be continued.

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[1] The three joint communiqués are: the Joint Communiqué on the normalization of Sino-US relations issued by China and the United States in Shanghai on February 28, 1972 during President Richard Nixon's visit to China; the Joint Communiqué of the People's Republic of China and the United States on the Establishment of Diplomatic Relations issued by the Chinese and American governments on December 16, 1978; and the Joint Communiqué of the People's Republic of China and the United States of America issued by the Chinese and American governments on August 17, 1982, concerning gradually reducing American arms sales to Taiwan and finally thoroughly settling the issue over a period of time. These communiqués are referred to as the China-US Shanghai Communiqué, the China-US Communiqué on the Establishment of Diplomatic Relations, and the China-US August 17th Communiqué respectively. They explicitly state and reaffirm the basic principles: "The Government of the People's Republic of China is the sole legal Government of China," "There is but one China and Taiwan is part of China," and "Respect for each other's sovereignty and territorial integrity

and noninterference in each other's internal affairs." These communiqués provided the political basis for developing Sino-US relations.

[2] "On Ethnic Work," note 4, p. 184, this volume.

[3] A statement of Wei Zhi (580-643), a Tang Dynasty statesman, recorded in "Tang Ji Ba," Vol. 192 of the *Comprehensive Mirror for Aid in Government*, written by Sima Guang (1019-86) in the Northern Song Dynasty.

THE FUTURE OF SOCIALISM REMAINS AS BRIGHT AS EVER*

November 21-22, 1993

At present, the world is in a historical period of great changes. World socialism is at a low ebb, but this is just a temporary phenomenon in its long history. After the demise of the Soviet Union and the drastic changes in Eastern Europe, some Westerners gloatingly proclaimed that Marxism-Leninism's time had passed and that socialism would disappear from the face of the earth. We, however, believe the future of socialism remains as bright as ever.

First, there are still socialist countries. China is building socialism; so is Cuba, and some other Asian countries also follow the socialist road. Many countries in Asia, Africa and Latin America still yearn for socialism. In the contemporary world, including Western countries, there are still large numbers of people who believe in Marxism and socialism. One fifth of the world's population will continue to uphold socialism as long as China does not lower its socialist banner.

Second, the demise of the Soviet Union and the drastic changes in Eastern Europe did not have any significant impact on our great socialist country of China. China did not participate in the Cold War or the arms race or join in any military bloc, so our situation remains relatively good. The end of the Cold War and the demise of the Soviet Union gave us a lot of insight. We did not lower the banner of Marxism; rather we more firmly resolved to uphold Marxism-Leninism and the leadership of the Communist Party and adhere to the path of socialism with Chinese characteristics suitable for China's conditions.

Third, international hostile forces are attempting to promote peaceful evolution toward capitalism in China. This will not change, but they absolutely will not succeed. Several generations of Chinese have sacrificed their blood and their lives to reach the conclusion that only socialism can save and develop China. Socialism has already deeply permeated the hearts of the Chinese people. Although great changes have occurred in

* Excerpt from remarks to Fidel Castro, First Secretary of the Central Committee of the Communist Party of Cuba and President of the Cuban Council of State, during a visit to Cuba.

the international situation over the past several years, China has remained politically and socially stable and undergone accelerated economic development, and the people's living standards have constantly risen. This is a clear case in point.

Fourth, capitalism has been around for hundreds of years, but socialism is brand new. Like anything new, socialism's development from birth to maturity will not be smooth sailing. There is nothing to fear if we encounter a number of twists and turns. What is important is that we Communists learn from them. We Communists firmly believe that Marxism will be victorious in the end and that socialism will ultimately supplant capitalism. This is an inexorable law of historical development. Therefore, we are full of confidence in socialism's future.

While world socialism is temporarily at a low ebb in a volatile international situation, we must observe calmly and respond coolly. To ensure socialism goes on, the first thing we must do is to ensure the survival and development of the state and the nation. We should integrate the basic tenets of Marxism with China's concrete realities; focus our energy on managing our own affairs well, especially developing the economy; constantly raise the people's living standards; and fully manifest the superiority of socialism. This is the only way we can consolidate and develop socialism and become invincible.

There are successes and failures in any development process. Failure is the mother of success. We draw on the lessons of experience so we can better manage our affairs. From the Marxist viewpoint, history is created by the people. As an old Chinese saying goes, "Heroes make the times, and the times make heroes." At the same time that people create history, it cannot be denied that a number of individuals play a pivotal role in the success or failure of historical events. From a review of our experience over the past several decades, we can see that Lenin, Stalin and Comrade Mao Zedong really did transform the world after the October Revolution in Russia. At the same time, we should also see that a number of individuals played key roles in the collapse of socialism in their countries. From this we may conclude that when a country or a department selects cadres, it must look at the candidates' experience and see whether they were tempered by struggle at the primary level, and whether they have ties with the masses: hothouse flowers wither easily.

A number of Western countries regularly inflict their conceptions of democracy, freedom and human rights and their political systems on other

countries. We believe that the world is rich and varied and that there are many different types of social forms. What path a country follows should be decided by that country's people based on its historical traditions, economic and educational levels, and other factors. We chose the socialist road on the basis of China's conditions. Democracy, freedom and human rights are not absolute; they are all relative. When the West talks about democratic systems, they only talk about multiparty systems. We have a socialist market economy. They speak approvingly of our market economy because it facilitates business, but they object to the adjective "socialist" that precedes that term. Some Westerners would like to see our political restructuring proceed at their pace. Concerning the issue of human rights as it pertains to China, the most important human rights are the rights to survival and development, and the most important problem to solve is ensuring that China's 1.1 billion-plus people have adequate food and clothing. As economic restructuring deepens, we are also carrying out political restructuring. However, we are definitely not instituting a Western-style political system, but are constantly building democracy and a legal system suitable to our national conditions, and adhering to and improving the system of people's congresses and the system of multiparty cooperation and political consultation under the leadership of the CPC. Some Westerners are trying to introduce their multiparty system into developing countries to get those countries to follow their development model and thus become their vassals.

In the course of exploring and establishing a socialist market economy, it is necessary to oppose both those who stubbornly cling to the planned economy and those who would use the market economy to swing China toward capitalism. Developing a market economy does not necessarily mean dispensing with macro-control; there is no absolutely free market economy in the world. But we need to continue using market forces to develop the economy under socialism.

Since we began reform and opening up, problems that had vanished in China for many years — such as with drugs, prostitution and gambling — have reappeared. This is like the problem of flies coming in when you open the window. The key is to stamp them out and not let them proliferate. Our Party places great emphasis on combating corruption, stresses that leading cadres should lead by example, and teaches cadres the importance of clean government, while at the same time firmly investigating and dealing with large and major cases of corruption. In accordance with our historical experience, we will not launch any mass movement in our strug-

gle against corruption. We will need to carry on this struggle constantly, and set requirements for it at different stages. Considered from the long-term perspective, it is necessary to create a system that encourages probity by paying adequate salaries. In short, we need to learn from the advanced technology and scientific management of developed Western countries, while at the same time preventing the corrosive intrusion of decadent capitalist thinking. There is not the least doubt that these issues cannot be resolved in a day; they require hard work over a long time.

SPEECH AT A MEETING TO CELEBRATE THE CENTENARY OF COMRADE MAO ZEDONG'S BIRTH

December 26, 1993

Comrades and Friends,

We are gathered here today at this solemn meeting to celebrate the centenary of the birth of the main founder of the CPC, the PLA and the People's Republic of China, and a great leader of the people of all our ethnic groups, Comrade Mao Zedong.

Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the guiding principles of the Fourteenth National Party Congress, the whole Party, the entire army and the people of all our ethnic groups are working tirelessly to implement the Party's basic line and striving to develop China into a prosperous, strong, democratic, culturally advanced and modern socialist country. Socialist China's political situation is stable; its economy is developing; the people of all its ethnic groups are united; and the country is making social progress and full of vitality. Remembering Comrade Mao and looking back at the history of the Party and the country under these conditions, we feel even more deeply that the first generation of the Party's central collective leadership with Comrade Mao at the core accomplished a pioneering and enduring feat in building a modern, socialist New China.

When Comrade Mao and the other founders of the CPC appeared on the political stage, China was under the dark rule of imperialism and feudalism, the country was splintered, the nation was humiliated, warlords were fighting among themselves and the people were struggling to escape their predicament. After the Opium War, saving the country, saving the people, and making the country independent, united, democratic, prosperous and strong were the common ideals tirelessly pursued by the people of all our ethnic groups. Advanced Chinese people struggled and sacrificed, and more stepped up to replace the fallen, writing an epic chapter in history. However, prior to the establishment of the CPC, all the struggle and striving of the people went for naught. The imperialist invasions destroyed the Chinese people's dream of copying the West, and

the Chinese nation, bogged down in tribulation and crisis, was unable to find a route to liberation.

Comrade Mao's greatest historical achievement was to apply the basic tenets of Marxism-Leninism to the concrete realities of China in leading the Party and people in finding a correct path in the new-democratic revolution, completing the task of combating imperialism and feudalism, ending China's history as a semi-colonial, semi-feudal society, founding the People's Republic of China, and setting up a socialist system. He then began exploring the path of socialist construction based on China's actual conditions.

Old China was a semi-colonial, semi-feudal, large Asian country with a small working class and a large peasant population. Finding a way to rely on the working class and the consolidated worker-peasant alliance and unite the people of all our ethnic groups under such conditions in order to first of all secure liberation for the nation and independence for the country and turn the people into masters of the country, and then embark on the socialist road under the leadership of the Communist Party was an extremely complex new problem in the history of the proletarian revolution. Comrade Mao used Marxism-Leninism to make a profound analysis of the state of Chinese society and the economic status and political attitude of each class. He clearly described the nature, objectives, tasks and impetus for the Chinese revolution; introduced the two-step strategy of reaching socialism via the new-democratic revolution; formulated the general line for the new-democratic revolution of the broad masses of the people opposing imperialism, feudalism and bureaucrat-capitalism under the leadership of the proletariat; and set out along the revolutionary road by establishing rural base areas, encircling the cities from the countryside and seizing state power by armed force. Comrade Mao and his comrades-in-arms founded a proletarian party armed with the revolutionary theories of Marxism-Leninism and revolutionary spirit, a people's army that fought heroically under the absolute leadership of the Party for the liberation of the people, and a united front that unified the overwhelming majority of the people in a common struggle. After an extremely bitter struggle lasting 28 years, the three big mountains[1] crushing down upon the heads of the Chinese people were finally toppled and New China came into being in 1949. The Chinese people had finally stood up.

After the founding of New China, the Central Committee with Comrade Mao at the core led all the people of the country in continuing to move the history of China forward by rapidly healing the wounds of war

and revitalizing the national economy. At the suggestion of Comrade Mao, the Central Committee promptly introduced the general line for the transition period of gradually carrying out socialist industrialization of the country and socialist transformation of agriculture, handicrafts, and capitalist industry and commerce. Under the guidance of this general line, China laid the initial foundation for industrialization and set out on the path of socialist transformation in conformity with the country's conditions. The CPC continued to develop China's productive forces and improved the people's standard of living by transforming capitalist industry and commerce through the means of state capitalism and a policy of peaceful redemption, and by instituting the socialist transformation of individual farming and independent handicrafts over the course of a gradual transition period in conformity with China's characteristics. This was a unique innovation of the CPC. The basic completion of the socialist transformation and the comprehensive establishment of the socialist system constituted the most profound and the greatest social change ever in China's history, and paved the way for all the progress and development of New China.

After the socialist transformation was basically completed, Comrade Mao borrowed from the experience of the Soviet Union in actively working out China's own path for building socialism. In 1956, he published "On the Ten Major Relationships," in which he emphasized that it was our basic policy to mobilize all positive factors, internal and external, to serve the cause of socialism. In 1957, he published "On the Correct Handling of Contradictions Among the People," in which he pointed out that the basic contradictions in socialist society are still those between the relations of production and the productive forces and between the superstructure and the economic base. He went on to say that our basic task had changed from liberating the productive forces to protecting and expanding them in the context of the new relations of production. He also introduced the strategic ideas of strictly differentiating between and correctly handling the two different types of contradictions, and uniting with the people of all our ethnic groups to develop our economy and culture and build China into a strong socialist country. These were two very significant documents for the Party when it was first delineating the path of socialist construction. In these and other documents, Comrade Mao introduced many important ideas about China's socialist construction involving politics, economics, culture, national defense and foreign affairs. Although our road was tortuous and we even strayed into serious mistakes along the way, we

energetically sought a path of socialist construction in line with conditions in China, began to carry out large-scale, all-round development, and established an independent and relatively comprehensive industrial system and national economic system under the leadership of the Party and Comrade Mao, based on establishing a basic socialist system suited to conditions prevailing in China. The shifting international situation in recent years has made us more clearly and deeply aware that in acting independently and on its own in the course of socialist construction, and tirelessly seeking a path suited to China's own conditions, the CPC fostered a spirit of being self-reliant, not depending on others, eliminating irrational fears and seeing through fallacies that has played a major role in safeguarding the country's sovereignty and the nation's dignity and consolidating and developing the socialist system.

Under the leadership of the Party and Comrade Mao, Chinese society underwent profound changes. China made the transition from a semi-colonial, semi-feudal society into a new age of socialism. A country formerly plundered and enslaved by imperialism became an independent sovereign country. With the exception of Taiwan and a few other islands, a splintered country became a unified nation. A country subjected to bullying, insult and oppression became one where the people are the masters and enjoy democratic rights. A country with a backward economy and culture became a country on the path to economic prosperity and all-round progress. A country looked down upon by the rest of the world became a country universally respected by the international community. All this has provided the basic economic, political and cultural conditions for building a prosperous, strong, democratic, culturally advanced and modern socialist country and has laid a solid foundation for China to move toward a brighter future.

Chinese Communists, with Comrade Mao as their chief representative, made a theoretical synthesis of China's long experience in revolution and construction to formulate a scientific guiding ideology that is in line with basic tenets of Marxism-Leninism and suitable for China's conditions, namely, Mao Zedong Thought. Comrade Mao integrated basic tenets of Marxism-Leninism with the concrete realities of China to firmly plant the roots of Marxism-Leninism in China. Mao Zedong Thought is a complete system of scientific ideology. Its creative theories enriched and developed Marxism-Leninism in many areas, including the new-democratic revolution, the socialist revolution, socialist construction, building a revolutionary army, military strategy, national defense development, policy and tactics,

ideological and political work, cultural work, and Party building. The living soul of Mao Zedong Thought is the stand, viewpoint and method that permeate all these areas. This stand, viewpoint and method consist in three basic points: seeking truth from facts, the mass line, and self-reliance. Seeking truth from facts means constantly deepening understanding of conditions in China, studying and fully understanding the objective laws governing social development, finding a path for the revolution and construction suited to China's circumstances, and deciding upon the Party's strategy and tactics to lead the people in transforming and developing China in order to achieve the objective of moving history forward. The mass line is the Party's fundamental working line formulated by systematically embodying in all of the Party's activities the Marxist-Leninist theory that it is the people who make history. The Party does everything for the masses, believes in them, relies on them, pools their wisdom, and organizes their strength so it can overcome all types of difficulties and perform all manner of wonders. Self-reliance means unswervingly safeguarding national independence, protecting state sovereignty, basing our efforts on our own strength while actively seeking foreign assistance, developing international economic and cultural exchanges, and learning from all advanced aspects of other countries that could be beneficial for China. Mao Zedong Thought is the application and development of Marxism-Leninism in China and the crystallization of the collective wisdom of the CPC. Mao Zedong Thought will always be a theoretical treasure trove for Chinese Communists and a spiritual pillar of the Chinese nation and will always serve as a guide to action for developing China into a modern socialist country.

Throughout the history of our long struggle, we Chinese Communists have come to the profound realization that the reason our Party has been able to assume historic tasks, win the support of the people and become the core force leading the Chinese revolution and construction is because through theoretical innovation and repeated tempering in bitter struggles, our Party formed and constantly enriched and developed Mao Zedong Thought and resolutely adopted it as its guiding ideology. When a large Asian country like China has a proletarian vanguard that applies Marxism-Leninism to the specific conditions in the country and creates its own characteristics and traditions, this provides a fundamental guarantee for success in revolution and construction. The fundamental purpose of the CPC, which is armed with Mao Zedong Thought, is to wholeheartedly serve the people and sincerely work for the interests of the nation and the people,

never for its own interests. The CPC is a party that is adept at combining its lofty ideal with current tasks, that adheres to dialectical materialism and historical materialism, and that understands the rules governing the survival and development of all things. Since its founding, the Party has combined the struggle to achieve the objectives of the new-democratic revolution waged at the time of its founding with the struggle to achieve the objectives of socialism and communism in the future. All this demonstrates the Party's farsighted revolutionary acumen and a pragmatic scientific attitude. We are a party that is filled with a spirit of self-sacrifice, bitter struggle and unyieldingness, that has made the greatest sacrifices for national liberation and social progress, and that has achieved brilliant victories all of which has won it the people's trust and support. The Party has its own outstanding work style, integrates theory with practice, maintains close ties with the masses, engages in self-criticism, has firm conviction, and brims with vitality and strong militancy. The CPC is a party organized in accordance with the principle of democratic centralism. It is fully democratic, concentrates the wisdom of the entire Party and the people, has a unified code of conduct, acts in a concerted manner, and unites with and relies on the masses in following the Party's line and doing its tasks.

Comrade Mao was a great Marxist, proletarian revolutionary, strategist and theorist and a great patriot and national hero in modern Chinese history. During the protracted and bitter revolutionary period, he demonstrated the political farsightedness of a revolutionary leader, unswerving belief in the revolution, proficiency in the art of struggle, and his ability to control the overall situation. Comrade Mao was a great leader who grew up among the masses and always belonged to the people. His revolutionary spirit had the power to bring people together, he had great charisma, and his scientific thinking had great appeal. The great achievements Comrade Mao and his comrades-in-arms made shine through history and are respected by all people of integrity throughout the world. His revolutionary work and glorious achievements are recorded forever in the annals of history. His name, his thought and his spirit will forever serve as an inspiration to Chinese Communists and the people of all our ethnic groups and will continue to drive Chinese history forward. As a great historical figure, Comrade Mao belongs to both China and the whole world. He will always live among us. We should diligently study his scientific writings and draw strength and wisdom from them. The fact that China produced a man like Mao Zedong is a matter of pride for the Party, the country and the Chinese nation. We

will always have a deep love and respect for Comrade Mao.

Comrades and Friends,

One by one, Comrade Mao and his close comrades-in-arms of the older generation of proletarian revolutionaries — such as Zhou Enlai, Liu Shaoqi and Zhu De — all passed away, which greatly saddened all Party members and the people of all our ethnic groups. At that time, the Party and the country had still not extricated itself from the grievous calamity wrought by the Cultural Revolution. The development of Chinese society was at a critical historical juncture. How to continue working toward the goal of making China a prosperous, strong, democratic, culturally advanced and modern socialist country, which the Party and the Chinese people had been pursuing so diligently, became the focus of attention for the whole Party, the entire army and the people of all our ethnic groups. History placed two important interconnected issues before us Chinese Communists. One was how to assess the historical position of Comrade Mao and Mao Zedong Thought, and the other was to determine the correct path for the socialist modernization of China in light of changes in international and domestic conditions, and the positive and negative aspects of past experience. Under the leadership of the second generation of the Party's central collective leadership, with Comrade Deng at its core, the Party came up with a scientific answer to these two historical issues.

In December 1978, the Party successfully held the Third Plenary Session of the Eleventh Central Committee, which marked a great turning point with far-reaching significance in the Party's history. At that session, the Central Committee confirmed the guiding principles of emancipating our minds, using our heads, seeking truth from facts and uniting as one in looking to the future; it began to restore order and decided to immediately stop using the slogan "Take class struggle as the key link," which was out of kilter with the main problems in Chinese society following the comprehensive establishment of the socialist system. It reached the strategic decision to shift the focus of the entire Party's work to socialist modernization, and reestablished the Marxist ideological, political and organizational lines.

Correctly assessing the historical achievements and mistakes of Comrade Mao and confirming the historical position of Mao Zedong Thought have a bearing on how to judge how well the Party and country did in the last few decades of struggle, on the unity of the Party and the stability of the country, and on the future development path of the Party and country.

This was a comprehensive, pressing and crucial issue that the Party faced following the death of Comrade Mao. Comrade Deng, in leading the Party and the country in recovering from the profound disaster caused by the Cultural Revolution and restoring order to the guiding ideology, exerted great efforts in resolving the issue of how to correctly assess Comrade Mao and Mao Zedong Thought. He pointed out that without Chairman Mao, the Chinese people would, at the very least, have spent more time groping in the dark. Mao Zedong Thought is a scientific system. We must fully and accurately understand it and apply it in guiding our entire Party, our whole army and all our people in order to make progress in the cause of the Party and socialism. Comrade Deng took the lead in opposing and criticizing the erroneous principle of the "two whatevers,"[2] supported the debate throughout the Party and the country about whether practice is the sole criterion for testing truth and led the whole Party in smashing through the restraints of "Left" ideology. Comrade Deng pointed out that Comrade Mao's contributions are primary and the mistakes of his later years are secondary, and that he made them only because he acted contrary to his own correct ideas. His mistakes were those of a great revolutionary and a great Marxist. Comrade Deng resolutely criticized the erroneous tendency to use the mistakes Comrade Mao made in his later years as a pretext to fundamentally negate his contributions and Mao Zedong Thought. He said that it is precisely because we have abided by Mao Zedong Thought that we have achieved such magnificent success in the Chinese revolution. We cannot lower the banner of Mao Zedong Thought; to do so would be a huge historical mistake. Fixing Comrade Mao's position in history and upholding and developing Mao Zedong Thought are of central importance. We must hold high the banner of Mao Zedong Thought both today and for a long time to come. These important views of Comrade Deng formed the basic thinking underlying the Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China, the writing of which he personally directed and which was passed at the Sixth Plenary Session of the Eleventh Central Committee. This resolution upheld Marxism, and it truthfully, fairly and objectively analyzed the Party's historical experience and assessed its leaders, once again demonstrating that the Party is a strong, Marxist party that is politically and theoretically mature. The resolution eliminated "Left" and Right interference, united ideology throughout the Party, strengthened Party unity and encouraged all Party members and all our people to march confidently into the future.

The Central Committee, with Comrade Deng at the core, in addition to addressing the major issue of how to correctly assess Comrade Mao and safeguard the historical position of Mao Zedong Thought, also disposed of another major issue with a bearing on the fate of the Party and the country: the issue of how to continue exploring China's path to socialist modernization. The CPC began exploring this very difficult path in the 1950s, encountered problems and difficulties, enjoyed the experience of success, learned from mistakes and rode out the many ups and downs along the way. In this important stage of China's historical development, Comrade Deng integrated the basic tenets of Marxism with actual conditions in China and the attributes of the times, carried forward and developed Mao Zedong Thought, showed tremendous political courage in opening up a new path of building socialism and tremendous theoretical courage in opening up new frontiers in Marxism, and pooled the wisdom of the entire Party and all of our people in order to creatively propound the theory of building socialism with Chinese characteristics. This theory provided a scientific response to the primary, basic theoretical issue of the definition of socialism and made the profound revelation that in essence, the objective of socialism is to liberate and develop the productive forces, eliminate exploitation and polarization, and ultimately achieve prosperity for all. This theory for the first time provided a fairly systematic, rudimentary solution to a series of basic questions concerning how to build, consolidate and develop socialism in an economically and culturally backward country like China. Under the guidance of this theory, the Party formed its basic line for the primary stage of socialism, which made economic development the central task, and upheld the Four Cardinal Principles and the reform and opening up policy, thereby laying out the correct path to socialist modernization in China. This marked another historic leap in laying out a broad path for the entire Party and all our people and held out bright prospects for turning China into a prosperous, strong, democratic, culturally advanced and modern socialist country in the wake of the historic leap the Party made in successfully finding the path of the new-democratic revolution, establishing the socialist system and developing China by integrating Marxism with the country's practice.

During the course of a struggle spanning more than seven decades, our Party emblazoned Marxism-Leninism on its banner, then inscribed Mao Zedong Thought, the integration of Marxism-Leninism with the practice of the Chinese revolution, on it. Now it has written Marxism in

present-day China, Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, on it. The Party's theoretical maturity and development effectively ensure that we will continue to go from triumph to triumph in our undertakings.

Comrade Deng's theory of building socialism with Chinese characteristics is the result of a theoretical crystallization of our rich experience in instituting reform, opening up and socialist modernization, and provides us with moral support and a scientific guide leading us to continued victory in the future. This theory is copious and profound in content, and encapsulates all aspects of the work of the Party and the country. With the recent publication of the third volume of the *Selected Works of Deng Xiaoping,* the Central Committee made the decision to study it. Cadres, especially leading ones, need to systematically study this theory to fully understand its essence and incorporate it into all facets of their work in light of the specific conditions of their individual regions and departments and their own ideological realities.

The essence of the theory of building socialism with Chinese characteristics is emancipating our minds and seeking truth from facts. Comrade Deng noted that seeking truth from facts is the basis of the proletarian worldview, the ideological basis of Marxism and a fundamental aspect of Mao Zedong Thought. Emancipating our minds means making our thinking conform to reality and the subjective conform to the objective and seeking truth from facts. Comrade Deng, like Comrade Mao, has always opposed studying Marxism in disregard of the realities of Chinese society, the Chinese revolution and China's construction. He said that we must never act contrary to the basic principles of Marxism-Leninism and Mao Zedong Thought. This is beyond doubt. Yet we must consider real conditions, analyze and study the actual situation, and resolve practical issues. Work policies must always be determined according to the actual situation. All Communist Party members must firmly bear this most basic ideological and work method in mind. In his opening speech to the Twelfth National Party Congress, Comrade Deng clearly stated that China's affairs should be run according to its specific conditions and by the Chinese people themselves. In that important speech, he also first introduced to the entire Party and all our people his brilliant idea that China should go its own way and build socialism with Chinese characteristics. China is a large developing country and one whose national conditions and development characteristics differ greatly from those of other countries, so we must not

be shackled by dogma or blindly imitate other country's models, but must proceed from our country's circumstances in the course of its socialist modernization, and take the path of building socialism with Chinese characteristics. Taking this path will make it impossible for anyone to shake our firm conviction that we will achieve our great ideal. This path draws a clear line in theory and practice keeping us from all erroneous "Left" and Right tendencies concerning the issue of building socialism. Comrade Deng has set a brilliant example for us all by always advocating seeking truth from facts, respecting practice and the creative spirit of the people, enthusiastically supporting the people's practical exploration and innovation, and constantly learning from the new experiences of the masses in order to enrich and develop the theories and policies of the Party.

The basic starting point for building socialism with Chinese characteristics is further liberating and developing the productive forces. Comrade Mao believed that the purpose of revolution was to liberate the productive forces, and he correctly applied this idea throughout the course of the new-democratic revolution and the socialist revolution. His later notion of taking class struggle as the key link was therefore a mistake, since class conflict was, in the final analysis, no longer the main problem in Chinese society after the basic completion of the socialist transformation of the country; rather, it was how to meet the ever-growing material and cultural needs of the people with backward social production. What was most essential for solving this problem was to concentrate resources to develop the productive forces. Comrade Deng, drawing upon lessons from past experience, emphatically pointed out that the fundamental task during the socialist stage was to develop the productive forces in order to create the material base for achieving communism. This means combining the Party's practical actions in society with the entire process of the Party leading the people first in carrying out the new-democratic revolution and the socialist revolution, then in building socialism, and finally in achieving communism, all centered on constant efforts to liberate and develop the productive forces. By fully understanding and adhering to this fundamental viewpoint, we can firmly institute the guiding ideology that economic development must be the central task in building socialism on both theoretical and practical levels. We can also truly judge right or wrong and assess success or failure in all of our work by whether it is favorable to developing the productive forces in a socialist society, to increasing the overall national strength of the socialist state, and to raising the living standards of the people. We

have consistently maintained economic development as the central task for the last 15 years, and our work to promote both socialist material progress and cultural and ethical progress has made great achievements that have attracted the world's attention. As long as we unswervingly continue along this path, our country's efforts to achieve socialist modernization will certainly succeed.

Carrying out reform and opening up is the most distinctive aspect of building socialism with Chinese characteristics. Comrade Mao concluded from his analysis that after China established the socialist system, there was correspondence as well as contradiction between the relations of production and the productive forces and between the superstructure and the economic base. He further noted that the socialist system itself could always solve any problems arising within socialist society. Comrade Deng led the Party in finding the correct avenue for solving these problems, i.e. through reform and opening up. He said, "This reform is part of the self-perfecting process of the socialist system, and in certain areas and to a certain extent it is also a revolutionary change. It is a major undertaking that shows we have begun to find a way of building socialism with Chinese characteristics."[3] "The experience gained during those 20 years — particularly the lessons of the 'cultural revolution' — taught us that we could not proceed unless we carried out reform and formulated new political, economic and social policies. Accordingly, at the Third Plenary Session of the Eleventh Central Committee of the CPC, we formulated a series of principles and policies and thus took a new path. These policies can be summarized as reform and opening up."[4] Continuing to carry out reform and opening up and upholding the Four Cardinal Principles became the two fundamental tenets of the Party's basic line, and these two tenets interlink with each other and are interdependent. We must always adhere to the Four Cardinal Principles throughout the reform and opening up process. Reform is another revolution in China, a path essential for developing the productive forces and achieving socialist modernization, and a correct way for the socialist system to improve and develop itself, and as such it is a brand new creation unprecedented in the history of the development of socialism. With the basic idea and practice of reform and opening up, the cause of socialism in China has embarked upon a new period of flourishing development. Comrade Deng is the chief architect of China's socialist reform, opening up and modernization. The reform and opening up policy is his most outstanding contribution to the creative development of

Mao Zedong Thought and of the Marxist-Leninist theory concerning the building of socialism. It is a major policy that has determined the fate of contemporary China's development and a great experiment that has shown itself to be successful and correct, and which will continue to do so into the future. As long as we unswervingly promote reform and opening up, we will be able to constantly liberate and develop the productive forces and infuse vigor and vitality into China's socialist cause.

Developing China through self-reliance is the basic starting point for building socialism with Chinese characteristics. Comrade Deng said, "In the final analysis, the general principle for our economic development is still that formulated by Chairman Mao, that is, to rely mainly on our own efforts with external assistance subsidiary."[5] He emphasized that independence and self-reliance have always been and will always be our basic stand. The Chinese people treasure their friendship and cooperation with other countries and their peoples, but treasure their right to independence gained through a long period of struggle even more. No foreign country should nurture the hope that China will become its vassal or willingly swallow the bitter fruit that harming the interests of the country would bring. We must unswervingly adhere to the policy of opening up to the outside world, actively work to increase exchanges and cooperation with other countries on the basis of equality and mutual benefit, and absorb anything that will benefit the development of China's socialist cause. At the same time, we must always be very clear that under no circumstances will we allow decadent capitalist ideologies and lifestyles to spread unchecked in China. The Chinese people, with their own national dignity and pride, believe it is the highest honor to love their socialist motherland and contribute their all to develop it, and the greatest disgrace to harm its interests, dignity and honor. Comrade Deng emphasized that we should always put the country's sovereignty and security first and resolutely oppose hegemonism and power politics. All Party members must promote this lofty national spirit, staunchly safeguard the country's sovereignty and national dignity, integrate socialism with patriotism, and concentrate resources to do their own work well.

Comrade Deng has observed that since the Third Plenary Session of the Eleventh Central Committee, we have restored Comrade Mao's correct viewpoints and have been studying and applying Mao Zedong Thought correctly and as an integral whole. The basic points of Mao Zedong Thought are still those I have already enumerated. In many respects, we

are doing things Comrade Mao suggested, but failed to do himself, rectifying his erroneous opposition in certain instances, and accomplishing some things that he did not. We will continue doing all this for a rather long time. Of course, we have developed Mao Zedong Thought and will go on doing so. Facts demonstrate that in using and developing Mao Zedong Thought, Comrade Deng fully manifests his scientific attitude of seeking truth from facts, great political wisdom and Marxist spirit of innovation. He truly deserves to be called a loyal comrade-in-arms of Comrade Mao's and the most outstanding heir to and developer of Mao Zedong Thought.

The formulation of Comrade Deng's theory of building socialism with Chinese characteristics indicates that the Party has greatly increased its understanding of the objective laws governing the building of socialism in China, and that, under the leadership of the Party, the actual work of developing China into a prosperous, strong, democratic, culturally advanced and modern socialist country has entered a new historical phase. Our great motherland has taken great strides forward over the last ten plus years under the guidance of this theory and the Party's basic line. While drastic changes were occurring in the international arena, China's socialist cause developed dynamically and made prodigious accomplishments. This has made us more and more aware of the far-reaching significance of Comrade Deng's leadership of the entire Party in scientifically assessing Comrade Mao, safeguarding the historical position of Mao Zedong Thought, and fully opening the way to build socialism with Chinese characteristics.

Comrades and Friends,

Mao Zedong Thought is a science that develops with the times. Comrade Deng's theory of building socialism with Chinese characteristics has carried forward, enriched and developed Mao Zedong Thought, thereby raising it to a new level. If we continue making great strides in the direction pointed out by this theory generation after generation, we are certain to develop China into a prosperous, strong, democratic, culturally advanced and modern socialist country. We must unswervingly continue to implement the Party's basic line without change for many years to come regardless of what may happen in the future. We must take the tasks for reform and development and changes occurring in objective reality into account, diligently study Marxism-Leninism and Mao Zedong Thought, focusing on Comrade Deng's theory of building socialism with Chinese characteristics, and use them to arm all Party members and all the people of the country

ideologically and guide all their work. The international and domestic situations presently offer rare opportunities for our development, and we must seize them to accelerate the pace of reform, open wider to the outside world, strengthen and improve macro-control, and maintain sustained, rapid and sound economic development. Throughout the course of achieving socialist modernization, we must always follow the Party's basic theory and line, resolutely concentrate on the central task of economic development, diligently work to advance the socialist market economy, expand socialist democracy, promote socialist cultural and ethical progress, and constantly further the great cause of building socialism with Chinese characteristics in all respects.

We must work unstintingly to develop the socialist market economy and spur the rapid development of China's productive forces. The Fourteenth Congress determined that during the 1990s we will achieve the objectives for the second step of the strategic plan for modernization, i.e. to have the basic elements in place for a socialist market economy and raise the people's living standards to a level of moderate prosperity. That is to say, we want to reach a new level in both reform and development. Development is the absolute principle. Reform and development are unified: the purpose of reform is to promote development. The Decision on Certain Questions Concerning Establishing a Socialist Market Economy, passed at the Third Plenary Session of the Fourteenth Central Committee, is a program of action for deepening economic restructuring that analyzes 15 years of the results of trials and actual experience in reform and opening up in accordance with Comrade Deng's theory of building socialism with Chinese characteristics and the guiding principles of the Fourteenth Congress, and drafts a blueprint for establishing a socialist market economy. The socialist market economy is an integral part of the basic socialist system. The purpose of establishing a socialist market economy is to let the market play a basic role in allocating resources under the state's macro-control. This economy has distinctive socialist characteristics in terms of ownership structures, distribution systems and macro-control, and therefore has advantages that capitalism lacks. We must hold on to and make full use of our own strengths and emphasize our own experience, while at the same time considering actual conditions in the country and accepting and borrowing successful practices of developed Western countries in using the market to promote development of the productive forces, in order to fully utilize the superiority of the socialist system and the advantages of the market in the

allocation of resources. Our basic objectives and tasks for the development of a socialist market economy are to ensure that the national economy remains dynamic, vigorous and full of stamina, keep the economic structure and industrial structure rational and balanced, guarantee both a positive pace of economic development and excellent economic performance, and preserve a correct balance between productivity and fairness in distribution. In addition, we must ensure that the position of agriculture as the foundation of the national economy is constantly consolidated, that the competitiveness of large and medium-sized SOEs in the market and their leading role in economic development are constantly strengthened, that the public sector maintains its position as the backbone of the economy while the other sectors play a complementary role, and that the people's living standards constantly improve, with the ultimate goal of attaining prosperity for all based on increased production. We are confident that with the full support of the people and under the correct leadership of the Party, if we effectively and constantly learn from our experience, we can definitely succeed in establishing a sound socialist market economy, constantly develop China's productive forces in this new economy and successfully reach the ultimate goal of modernization.

We must continue to develop socialist democracy and diligently build and improve democratic politics with Chinese characteristics. Socialism is the cause of the people, one in which the masses consciously participate and one through which they realize their interests. The people are the masters of Chinese society and our socialist cause. People's democracy is an inherent requirement of socialism. This kind of democracy serves the interests of all the people, is of necessity integrated with the socialist legal system, and ensures that the building of socialism proceeds in a guided and orderly way. Without people's democracy and a unified legal system there would be no socialism, and thus no socialist modernization. At the same time that we are engaging in economic restructuring, we must also carry out political restructuring. The general tasks and objectives for political restructuring in China are to strongly promote socialist democracy and fully mobilize the enthusiasm and creativity of the workers, farmers, intellectuals and other citizens in order to help safeguard the country's stability and strengthen the great unity of all its ethnic groups, consolidate the Party's leadership and the socialist system, and promote development of the productive forces of China's socialist society. This work can be accomplished only through reform of the Party and country's leadership system, the

cadre system and state organs; the curbing of bureaucracy and formalism to raise productivity; and the establishment and improvement of all kinds of responsibility systems and systems of democratic decision making and democratic oversight on the basis of upholding and improving elements of the socialist political system, including the system of people's congresses and the system of multiparty cooperation and political consultation under the leadership of the CPC. Socialist democracy is the most inclusive type of people's democracy and thus differs in essence from capitalist democracy, which is only enjoyed by a minority of the people. We must always unswervingly follow our own path in the course of building socialist democratic politics. We cannot indiscriminately copy the Western political model; to do so would only lead to chaos. We have engaged in political restructuring over the last ten plus years in order to develop socialist democracy, acquiring a great deal of experience in the process. We firmly believe that, by relying on the wisdom of the entire Party and all the people of the country, we will not only be able to develop a sound, vigorous Chinese socialist market economy, but also be fully able to gradually establish a sound socialist democratic political system with Chinese characteristics.

We must strenuously build socialist cultural and ethical progress and constantly improve the ideological and moral qualities and scientific and cultural levels of the people as a whole. Socialism manifests its superiority not only in its ability to greatly liberate and develop the productive forces and create a high level of material progress, but also in its ability to eliminate the various types of greed and corruption inevitably generated by capitalism and other exploitive systems, create a high level of cultural and ethical progress, and ensure all-round social improvement. The fact that we need to promote both types of progress is an important conclusion with far-reaching and guiding significance reached by Comrade Deng after analyzing the country's experience in reform and development. If we fail to work on either type of progress we will not be building socialism with Chinese characteristics. At the core of promoting socialist cultural and ethical progress, which includes improving the ideological and moral standards and scientific and cultural standards of the people, is the fostering of generation after generation of talented people with high ideals, moral integrity, a good education and a strong sense of discipline to build socialism. In order to promote constant cultural and ethical progress across the entire society and ensure the smooth progress of reform, opening up and modernization, we must continue to educate the entire Party and all the people

of the country in patriotism, collectivism, socialist ideology, Marxist theory, Chinese history, the Party's fine traditions, and public and professional ethics; advocate putting general interests above personal interests, stressing civility, being ready to help others and contributing selflessly to society; and train the people to have unshakable beliefs, high moral values, and a scientific, healthy and civilized lifestyle. At the same time, we can never allow decadent ideologies such as money worship, hedonism and ultra-individualism to corrupt the spirit of the people, poison the atmosphere of society and subvert order in society. All government ideology, culture and education departments and all enterprises and institutions that produce or distribute cultural products must put social benefits first, and seek economic benefits only in ways that satisfy this prerequisite, while correctly balancing social and economic benefits. They should produce more good cultural products and never allow the erroneous tendency of putting money above everything else to contravene and imperil efforts to promote socialist cultural and ethical progress. Even more importantly, they must never allow this erroneous tendency to spread without criticizing and restraining it. In addition, we must draw upon and carry forward fine national cultural traditions and vigorously develop socialist education, science and culture. This is a pressing requirement for promoting socialist cultural and ethical progress, as well as an important state policy for ensuring the rejuvenation and development of the Chinese nation and success in all areas of the socialist modernization drive. Stepping up efforts to promote socialist cultural and ethical progress is an important test for all Party members. All Communist Party members and leading cadres loyal to the cause of socialism with Chinese characteristics must attach great importance and fully dedicate themselves to improving socialist cultural and ethical progress and ensure constant progress is made.

The key to accomplishing all the great tasks of socialist modernization is to arm the entire Party with Comrade Deng's theory of building socialism with Chinese characteristics and more effectively improve the Party. In the current international environment where the two themes in the world are peace and development, and both challenges and opportunities coexist, and in the current domestic environment where all work revolves around economic development and we are in the midst of implementing comprehensive reform and opening up, we must more purposefully uphold the Party's nature as the vanguard of the working class, its purpose of serving the people wholeheartedly, and the guiding position of Marxism; more

purposefully adhere to the principle of democratic centralism; draw upon and carry forward the Party's fine traditions and work style formed through decades of struggle; and develop the Party into a solid core leading socialist modernization. A major issue related to upholding and developing the Party's leadership and improving its governance and leadership levels is the question of how to consolidate and strengthen its intimate ties with the masses. Close ties between the Party and the people provide a basis for ensuring the success of reform and development, a deep wellspring of wisdom and strength for the Party to draw upon, and a reliable guarantee that our policies are correct and that we can reduce and prevent mistakes. In order to ensure the continuity of the Party's line and the long-term political stability of the country, we must improve the overall quality of cadres at all levels, especially leading ones, in accordance with the principles of making the contingent of cadres more revolutionary, younger, better educated and more professionally competent, and placing emphasis on both moral integrity and professional competence, so that our cadres constitute a strong collective leadership that is loyal to Marxism and keeps to the path of socialism with Chinese characteristics. Furthermore, we must use ideological and political education to get Party members and cadres to understand the vital importance of upholding correct ideals, convictions and values, while remaining incorruptible and self-disciplined in the environment of a socialist market economy. As the economy develops more and more and the material living standards of the people continue to improve, it becomes ever more important for Party members, especially leading cadres, to demonstrate a spirit of hard struggle and dedicate themselves even more to wholeheartedly serving the people. We are now working resolutely to fight corruption and promote clean government, and this has won the full endorsement and support of the people. The Party's nature and purpose dictate the requirement that Party members be honest and upright. Corruption is essentially a product of exploitation systems and exploiting classes, but if we are not extremely vigilant and do not resolutely work to eliminate corruption, it could seriously corrode the Party's contingent of cadres, weaken its militancy and damage its ties to the masses, bringing ruin to the country and inflicting great harm on the people. The work of fighting corruption and promoting clean government is a major issue that directly affects whether our reform and development succeed or fail, so we must achieve significant results now and continue this work for a long time to come. Members of the CPC must always bear in mind that we should

always and must always be the loyal representatives and protectors of the interests of the people of all our ethnic groups.

Comrades and Friends,

The historical struggles of the Party and the people show us that only socialism can save and develop China, that building socialism with Chinese characteristics requires reform and opening up, and that only by adhering to the path of socialism with Chinese characteristics can we develop China into a prosperous, strong, democratic, culturally advanced and modern socialist country through reliance on our own efforts. This is the most important historical truth of contemporary China. The first generation of the Party's central collective leadership, with Comrade Mao at the core, and the second generation of central collective leadership, with Comrade Deng at the core, led the Party and the people in exploring and acting on this truth, and they contributed all their wisdom and energies to accomplish great deeds. This truth was historically manifested in Mao Zedong Thought and reflected in Comrade Deng's theory of building socialism with Chinese characteristics. As sober-minded Marxists, we are fully aware that as we make our way forward, we are sure to meet with many hardships, perils and turmoil. However, as long as we continue our unceasing struggle along the broad thoroughfare blazed by Marxist truth, we can overcome any difficulty, meet any threat, make it through any turmoil and go from victory to victory!

Developing China into a prosperous, strong, democratic, culturally advanced and modern socialist country was the great ideal of Comrade Mao, his comrades-in-arms and millions of revolutionary martyrs, the inevitable conclusion of over a hundred years of the development of Chinese society, and the common wish of the entire Chinese nation. The most apt memorial to Comrade Mao is to take the theory of building socialism with Chinese characteristics and the Party's basic line as our guide in carrying forward the cause he and other members of the older generation of proletarian revolutionaries established. Our generation of Communist Party members, Communist Youth League members, and all the people who cherish socialism and the motherland shoulder a sacred mission and a glorious duty. We must turn Comrade Deng's grand blueprint into a reality. We must first of all attain the objectives for the second step of the strategic plan for modernization in the 1990s and lay a strong foundation for meeting the objectives for the third step in the first half of the next century, including the objective of basically achieving modernization in China. We must and certainly will

accomplish this great mission, which affects the future of the Chinese nation and Chinese socialism. Let all our Party members and the people of all ethnic groups unite even more closely, seize opportunities, accelerate development, reform and innovate, work hard, and press courageously forward to fulfill the grand objectives we have set!

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[1] "Patriotism and the Mission of Chinese Intellectuals," note 2, p. 127, this volume.

[2] "Theoretical Work Needs to Be Oriented Toward Reality," note 2, p. 32, this volume.

[3] "Speech at the National Conference of the Communist Party of China," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 145.

[4] "We Should Draw on the Experience of Other Countries," *ibid.,* p. 261.

[5] "Answers to the Italian Journalist Oriana Fallaci," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1995, Vol. II, p. 348.

TAKE THE MASSES AS OUR FOUNDATION*

January 1, 1994

The year 1994 is an extremely crucial year for China's reform, opening up and modernization. All Party members and the people of all our ethnic groups need to unite more closely, work harder, steadfastly implement the guiding principles of the Fourteenth National Party Congress and of the Third Plenary Session of the Fourteenth Central Committee, closely focus on the central task of economic development, and strive to comprehensively drive forward the development of a socialist market economy, socialist democratic politics, and socialist culture and ethics.

In the new year, the core content of our efforts to deepen reform will be to meticulously organize the work of introducing and implementing a series of important reform measures for creating a socialist market economy. This is a difficult task with enormous implications, and many new situations and problems, and even difficulties, will inevitably arise, so we must carefully and thoroughly prepare, choose an opportune time to introduce our measures, carefully monitor progress, promptly learn from our experience and ensure the successful implementation of measures. We need to continue to broaden our conception of economic development, strengthen and improve macro-control, put great effort into economic restructuring, and genuinely integrate rapid economic development with high economic returns. In our economic work this year, we have to achieve great progress not only in economic reform, but also in the areas of making agricultural development sustainable, raising rural incomes, transforming the way SOEs operate, enhancing their vitality, raising the quality of economic management, maintaining good order in all areas of economic activity, and opening wider to the outside world in order to maintain sustained, rapid and sound economic development.

In the new year, an important task in promoting the development of socialist democratic politics will be to unite with the masses and rely upon them to safeguard and develop political stability and unity in order to continue to provide favorable social and political conditions for reform and development. Leaders at all levels must firmly keep in mind Comrade Deng

* Excerpt from a speech at a New Year's reception held by the CPPCC National Committee.

Xiaoping's important thinking that stability is of overriding importance, and correctly understand and handle the dialectical relationship between reform, development and stability as well as the two different types of social conflicts. We need to strictly crack down on all kinds of crime in accordance with the law and never be lenient. In addition, we need to conscientiously investigate the manifestations and development trends of conflicts among the people, paying special attention to new conflicts and problems arising as a result of instituting necessary adjustments to the pattern of interests and the relationships between them in the course of deepening reform, and we must not allow ourselves to become careless. In the long run, developing the economy and deepening reform can make the pattern of interests and the relationships between them more reasonable and eventually achieve the goal of prosperity for all. However, for a certain period of time in the course of reform, it will be difficult to avoid people enjoying different levels of benefits. Leaders at all levels need to be good at analyzing and handling all types of conflicts among the people. They must give priority to ideological and political work and related tasks, do their work meticulously and effectively, and get the people to feel that their leaders are fair and reasonable and that the Party and government wholeheartedly and sincerely safeguard their interests and are solicitous of their hardships. In this way, the masses will wholeheartedly support us, actively help us and work with us in handling all kinds of conflicts and problems, thereby constantly consolidating and developing an excellent environment of stability and unity.

In the new year, we need to energetically promote socialist cultural and ethical progress and strive to make new breakthroughs in this area throughout society. This is an urgent requirement for accelerating reform and development and promoting all-round social progress, as well as a pressing demand and common hope of the people of all our ethnic groups. We can win the public trust, always maintain the initiative in our work, and achieve one success after another only if everything we do conforms to the demands and hopes of the people. This historical truth cannot be forgotten at any time. Achieving material progress and cultural and ethical progress in concert is an important strategic principle that we need to follow throughout the course of socialist modernization. The harder we work to develop the socialist market economy, the more necessary it is to effectively make cultural and ethnic progress, expand education, scientific and cultural undertakings, better equip the people with correct ideology and morals,

promote a lofty national spirit, and safeguard good social order and practices. This is the only way we can provide a great stimulus and important guarantees for material progress and ensure the comprehensive development of the cause of socialism with Chinese characteristics.

The key to achieving long-term stability and making the country prosperous and strong is to arm the entire Party with Comrade Deng's theory of building socialism with Chinese characteristics. We need to adhere to the ideological line of emancipating our minds and seeking truth from facts, energetically strengthen the Party ideologically and organizationally and improve its work style, and consolidate and strengthen the Party's close ties with the masses. The times demand and the people expect us to improve Party organizations at all levels, and especially to create a body of cadres who can draw upon and carry forward the Party's fine traditions, ground themselves in reality, break new ground, courageously accept responsibility, focus on the big picture, and perform their official duties honestly. Cadres at all levels must firmly bear in mind that contacting and communicating with the people, and organizing and uniting with them in struggle to achieve their own interests are the source of the Party's fundamental strength and superiority, and the basis for success in all our work. We sincerely hope that everyone highly values all the interests of the Party and the people, takes the masses as their foundation, discards the bad habits of bureaucratism and formalism, genuinely progresses in the way they work and lead, and cultivates a new atmosphere of working wholeheartedly to benefit the people.

PROPERLY BALANCE REFORM, DEVELOPMENT AND STABILITY*

May 5, 1994

At the beginning of this year, the central leadership decided upon the general plan for the whole Party and the entire country, which is to seize opportunities, deepen reform, open wider, spur development and maintain stability. This formula underwent repeated deliberation and conscientious study prior to its adoption. It is an important principle guiding our overall work and our efforts to correctly balance reform, development and stability, both now and in the future. All Party members and all localities throughout the country must conscientiously implement it. Reform is the impetus, development is the objective, and stability is the prerequisite. Without reform, we cannot take the correct path of building socialism with Chinese characteristics and our endeavors cannot progress smoothly. Without development, we cannot achieve modernization or preserve the long-term political stability of the Party and the country. And without stability, there is no way to carry out reform and development. Leading cadres at all levels must therefore properly balance these three factors in their work.

In recent years, visiting foreign leaders and many foreign economists have frequently asked whether China can maintain its present pace of development, that is, whether China's development can be sustained. I tell them China's experience shows that our economic development needs to be sustained, rapid and sound. That is, our economic development needs to be rapid, and also sustained and sound. These three terms are mutually interdependent: development has to be sound in order for rapid development to be sustainable. Therefore, we have repeatedly reminded localities to be grounded in reality and seek truth from facts. All localities that have the conditions to proceed faster should do so; they should not try to rush things, but should actively create conditions to gradually speed up development. Of course, the actual conditions of development are not as ideal as we could wish. For example, the GNP has grown too fast for a few years, and the inflation rate has also been high. This indicates that allowing

* Excerpt from the speech "Comprehensively Analyze and Correctly Assess the Present Situation, and Properly Balance Reform, Development and Stability," delivered during an inspection in Shanghai.

the economy to grow too quickly might cause inflation. Rapid economic growth is good, but we must be careful to keep the inflation rate under control. This is a very sensitive problem, and if it is not handled well, general instability could result, and thereby affect the smooth progress of reform, opening up and modernization. As for our present problem of inflation, our foreign friends are watching the situation closely and some have expressed concern. Domestically, the people, especially those with low incomes, including retired cadres and workers, are very concerned about inflation because it directly affects their real standard of living. We should adhere to the principle of addressing inflation promptly and appropriately whenever it becomes a problem. Doing so is conducive to fully mobilizing, preserving and unleashing the enthusiasm of the masses and promoting rapid and sound economic development.

Never before in history has anyone created a socialist market economy. Western countries have had market economies, economies bound up with the basic system of capitalism, for more than 300 years. Operating a market economy under socialism is a novel and innovative undertaking. There is no experience we can draw upon in transforming a planned economy into a socialist market economy. This year, we are introducing many reform measures and taking great pains to implement them in order to speed up the establishment of a new economic system. The central leadership is firmly resolved to implement these important reform measures, and work is proceeding cautiously. During the actual implementation process, we need to pay close attention to coordinating related reforms, carrying out necessary pilot projects, feeling our way as we go, and giving full consideration to how much the state, enterprises and the people can bear. In short, in deepening reform, we must constantly proceed in accordance with the two precepts articulated by Comrade Deng Xiaoping: be bold and proceed steadily. This will enable us to progress energetically yet safely, and constantly open up new phases in reform and development.

Developing a socialist market economy requires strengthening and improving the state's macro-control. Strengthening macro-control definitely does not mean restoring the management methods of the planned economy; rather, it entails resort to economic and legal means appropriate for a market economy plus administrative measures when necessary to achieve regulatory objectives. Therefore, I have repeatedly stressed that macro-control must be standardized, institutionalized, set into a legal framework, and not be subject to the dictates of individual leaders. There is no way

our economic reforms can succeed if leaders have this power. In addition, we must closely integrate strengthening and improving macro-control with strengthening and improving microeconomic foundation and carry out these two tasks in concert. Ignoring the microeconomic foundation will not only undermine the effectiveness of macro-control, but also inevitably affect the development of the socialist market economy. In a word, we cannot dispense with a microeconomic foundation befitting a socialist market economy, and enterprises are the microeconomic foundation of that economy. Just like in a ball game, there have to be both athletes who play and referees blowing the whistle. Ball players and referees have different roles; you cannot play the game and blow the whistle too. This is why we emphasize the separation of government administration and enterprise management. Without good players in a game, even if the rules are excellent, there is no guarantee it will be played at a high level. The game's level depends mainly on the performance of the teams' key players and stars. In a socialist market economy, SOEs, especially large and medium-sized ones, are analogous to a team's key players and stars, and we must ensure they are full of vitality so they can play their leading role well. If they are, we can smoothly establish and operate a socialist market economy. I make these remarks in hope of getting everyone to focus on the dialectics of economic activities and prevent one-sidedness and extremism. Stressing the need to actively get the market to play its basic role in allocating resources does not mean that people are free of restraints and may do whatever they want, nor does stressing the need to strengthen and improve macro-control signal a return to undue emphasis on administrative examination and approval and a command economy. We need to avoid both types of one-sidedness. We need to establish a nationally unified, open market system, and a sound macro-control system that relies primarily on indirect means in conformity with the decision of the Third Plenary Session of the Fourteenth Central Committee, while at the same time further transforming the way SOEs operate and establishing a modern corporate structure. If we do not establish a good modern corporate structure, the socialist market economy will be built on sand and therefore be unstable.

OUR HOPE FOR REJUVENATING THE NATION LIES IN EDUCATION*

June 14, 1994

In our country, with a population of nearly 1.2 billion, inadequate resources and a relatively backward economy and culture, what should we rely on to achieve our grand goal of socialist modernization? It is of decisive importance to make economic development dependent on scientific and technological progress and improved worker quality, genuinely give strategic priority to developing education, and strive to raise the ideological, ethical, scientific and cultural level of all the people. This is an issue of fundamental significance for achieving our country's modernization. The Third Plenary Session of the Fourteenth Central Committee earnestly reiterated to the entire CPC that establishing a socialist market economy and achieving modernization ultimately depend on improving the quality of the citizenry and training talented people.

Since the beginning of reform and opening up, the awareness among the entire Party and all of society of the importance and strategic role of education has grown, and many regions, departments and organizations have produced outstanding successes in education reform and development. However, development has been uneven because certain regions and departments have not given education the priority it deserves. Some of our comrades understand why we are shifting the focus of our work to economic development, but do not sufficiently understand the strategic principle of basing economic development on making scientific and technological progress and improving worker quality. Some comrades think that economic development should take precedence over education, or that we should first develop the economy, then develop education. This even leads to a situation where education funds become misappropriated or diverted into economic projects or are used to pay for building construction, while teachers' pay is in arrears. Some comrades put too little effort into implementing the principle of giving high priority to both material progress and cultural and ethical progress, with the result that they do not promote socialist cultural and ethical progress; rather they slacken in their ideologi-

* Excerpt from a speech at a national conference on education.

cal and political education of the country's youth. This kind of thinking and action is at odds with the requirements of the Central Committee and Comrade Deng Xiaoping, and is both shortsighted and harmful.

Leading cadres at all levels must fully realize that vigorously developing education, rapidly training talented people to carry out socialist modernization, and raising the ideological, ethical, scientific and cultural level of all the people are necessary requirements for implementing the Party's basic line and unwaveringly adhering to this line for a hundred years. We can fundamentally increase our country's overall strength and take the strategic initiative in fierce international competition only if we strengthen education. We can guarantee our country's long-term political stability only if we train generation after generation of people who have high ideals, moral integrity, a good education and a strong sense of discipline, and are dedicated to the cause of building socialism with Chinese characteristics. We must unwaveringly give strategic priority to developing education throughout the process of socialist modernization. If we do not now realize the importance of education, we will miss the opportunity, bungle a serious matter and commit an error of historic proportions.

To accelerate education reform and development, we must comprehensively carry out the Program for Reforming and Developing Education in China, promulgated by the Central Committee and the State Council. This is a major issue, not only for education departments, but also for the entire Party and all of society. Party committees and governments at all levels need to effectively strengthen their education leadership by formulating specific schemes, planning carefully, making integrated arrangements and organizing their implementation in light of actual conditions in their regions. Responsible leaders need to regularly visit schools and lower-level organizations to conduct investigations and studies, guide work, and promptly resolve significant and pressing problems. Party committees and governments at all levels need to give priority to developing education when formulating development programs and annual plans. The central leadership requires any region or department that is not ensuring the strategic priority of developing education to further raise its awareness and resolve to adjust its construction plans and investment structure so as to guarantee that education development is given priority. Focusing on training talented people, ensuring spending on education and providing services to education should be made an important part of the responsibility system setting objectives for leading Party and government cadres at all levels

to accomplish during their terms of office and an important criterion for assessing how they perform their official duties. Organizations and departments must take this into consideration when assessing cadres' performance. All leading cadres who take their responsibility to the Party and the people seriously should work hard for education reform and development in their regions. With regard to the leadership system in schools, in institutions of higher education that practice a system whereby the head of the school assumes full responsibility under the guidance of the Party committee, Party committees need to discuss and decide important matters, while at the same time ensuring administrative leaders fully exercise their authority. In primary and secondary schools and other schools that implement or are undertaking pilot projects to implement a system in which the head of the school has full responsibility, it is also necessary to ensure that Party organizations play a key political role.

To ensure that developing education is given strategic priority, a healthy atmosphere of respecting teachers and valuing education needs to be created in the entire Party and all of society. The hope for rejuvenating the nation lies in education, and the hope for revitalizing education lies in teachers. Teachers are engineers of the human soul. Teaching is a lofty and arduous profession, and should enjoy the respect of the entire Party and all of society. Respect for teachers and education needs to begin with leading cadres at all levels, and high-ranking cadres most especially must take the lead. We need to conscientiously implement the Teachers' Law of the People's Republic of China, safeguard the legitimate rights and interests of teachers, guarantee and increase their pay in accordance with government regulations, and create good working, study and living conditions for them. At present, many provincial, regional and municipal Party committees and governments are doing a lot of practical things for teachers every year, which is very good and should be greatly encouraged. People in all departments and from all fields of endeavor and all walks of life need to enthusiastically take the initiative to show concern for and support education, respect the work of teachers, and carry on the Chinese nation's fine tradition of respecting teachers and valuing education.

Schools of all kinds at all levels need to fully implement the Party's education principle, adhere to the socialist orientation in education, and strive to cultivate a new generation of people with high ideals, moral integrity, a good education and a strong sense of discipline, who will develop morally, intellectually, and physically in a comprehensive manner. We need to ad-

dress new situations and problems arising in the course of reform and development and constantly strengthen schools' ideological and political work and their political courses. We need to strengthen students' education in the basic theories of Marxism-Leninism and Mao Zedong Thought, and especially Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. We need to strengthen education in the Party's basic line; in patriotism, collectivism and socialism; in China's modern and contemporary history and national conditions; and in its fine cultural and revolutionary traditions. We have to improve political courses in all kinds of schools at all levels by learning from experience and improving teaching methods. We need to strengthen education in theory and ideology and improve our political work, in order to guide and assist our youth in establishing a correct worldview, outlook on life and sense of values, building a foundation of scientific theory, and acquiring the political orientation of contributing to building socialism with Chinese characteristics. In this way we can make young people better able to resist erroneous trends in thought and the corrosive effects of decadent thinking, such as money worship, hedonism, and ultra-individualism. The main leaders in all regions and departments need to regularly hold discussions with teachers and students and make situational reports, and this practice needs to be institutionalized. We need to conscientiously maintain an orderly teaching environment in schools and promote stability and unity in them. All of society must concern itself with and nurture students' healthy maturation and unite in creating a favorable education environment.

Here, I would particularly like to discuss the issue of integrating education with productive work. This has already been clearly dealt with in the Program for Education Reform and Development in China, and it forms an important component of our education principle. Integrating education with productive work is a basic measure in adhering to the socialist orientation in education. We have practiced this ever since the founding of New China, and its orientation is correct. Although a number of problems have arisen in the course of its implementation, it has been generally successful and has contributed to students' healthy maturation. The facts show that if we allow students to stay in their rooms and study, without doing labor or participating in society, they do not understand how hard workers and farmers work to create society's wealth and thus do not identify with working people. This is not beneficial to their healthy maturation and all-round development. Student participation in material production should

become a required course, not an elective one. We must fully understand and strongly emphasize this point. There are several things we need to do to implement the principle of integrating education with productive work. First, schools must include productive work in their teaching plans and make comprehensive arrangements on the basis of their actual situations. Second, education departments at all levels need to provide specific guidance and exercise supervision and inspection. Third, Party committees and governments at all levels need to strengthen leadership. Fourth, everyone involved needs to actively support and collaborate in the effort to create the conditions necessary for students to do productive work.

One of our basic national conditions is providing education on a large scale with a relatively backward economy. We must stay grounded in this reality, deepen education reform, and adapt the education structure and system to the needs of socialist market economic development and all-round social progress. Even if government finances are strained, we must not stint on the investment needed to provide good compulsory education because it is the basic project for improving the quality of the people. Higher education needs to undergo reform to further improve its quality and make teaching more effective. Vocational and adult education at all levels needs to be greatly expanded to raise ideological and cultural levels and occupational skills of the general population. A key aspect of structural adjustment to education is the establishment of more vocational schools of all kinds to train large numbers of people in basic and intermediate skills. This will not only be beneficial for reducing competition for university slots but also satisfy the diverse needs of current economic and social development. Professionals in education departments and schools at all levels need to further emancipate their minds, seek truth from facts, actively pursue a new education system and new path of development under a socialist market economy, and strive to build an education system with Chinese characteristics.

SPECIAL ECONOMIC ZONES NEED TO CREATE NEW ADVANTAGES AND RISE TO A NEW LEVEL*

June 20, 1994

With the nationwide establishment and development of a new pattern of multilevel, multichannel and comprehensive opening up, and the gradual extension of preferential policies and flexible measures originally confined to SEZs to many areas in the interior where they are proving to be very effective, cadres and some of the masses in SEZs are concerned that SEZs are no longer special, and are wondering whether they will continue to receive special treatment and continue to develop. Therefore, I believe it is necessary for me, on behalf of the Central Committee and State Council, to solemnly reaffirm that their resolution to develop SEZs has not changed, that their basic policies concerning SEZs have not changed, and that the historic position and role of SEZs in the country's reform, opening up and modernization have not changed. The development of SEZs should permeate the entire process of socialist modernization, and they will remain necessary for as long as it takes for us to basically achieve modernization. There can be no vacillation on this point. That is to say, not only is it necessary for SEZs to continue operating, but they also need to operate better. We need to adhere to the basic policies concerning SEZs now in effect. SEZs must not only continue to function as windows on the world, experimental laboratories and vanguards, but also need to do so more completely. It is a fallacy to suppose that the position and role of SEZs can be reduced or even gradually eliminated now that the entire country is opening up in a comprehensive manner.

Since we need SEZs to continue operating and play a bigger role, it goes without saying that they need to remain special and retain their nature. At the same time, we need to recognize that as reform and opening up deepen throughout the entire country, and as modernization and the creation of a socialist market economy progress, the nature of SEZs will develop correspondingly. A number of characteristics of SEZs that devel-

* Excerpt from a speech in Shenzhen during an inspection tour of Guangdong Province.

oped primarily as a result of reliance upon preferential policies and flexible measures will naturally undergo some changes. From now on, SEZs will continue to derive advantages from the flexible policies that they need for development and that they can implement. However, they should not overly rely on such policies to maintain their advantages, but should raise their overall economic level by deepening all reforms, undertaking economic restructuring, strengthening their comprehensive management, upgrading the quality of their workers, improving the investment environment, increasing economic efficiency, and improving laws and standards. In short, SEZs need to create new advantages and rise to a new level. They should develop new characteristics by creating new advantages and making the most of them. In this regard, it appears that it is necessary to adjust their thinking. Of course, the central leadership and the provinces in which SEZs are located will continue to give consideration to and support their development and promote the smooth progress of their reform and development to the extent that it comports with and benefits the state's macro-control efforts.

I would like to offer some recommendations on how to continue operating SEZs well.

First, SEZs should continue to actively explore and gain more experience to help the whole country establish a socialist market economy and operating mechanisms more quickly.

We have already set the goal of creating a socialist market economy, and the Third Plenary Session of the Fourteenth Central Committee has drawn up a general framework for doing so. In the course of establishing a new economic system, however, we cannot achieve this goal at the same time and at the same pace everywhere. The Shenzhen and Zhuhai SEZs have already accumulated a considerable amount of successful experience in this area, and they have the geographical advantage of proximity to Hong Kong and Macao, so they should experiment more boldly and speed up implementation of a comprehensive suite of reforms in the economic system.

Specifically, what needs to be done is to speed up transformation of the way SOEs operate so as to create a modern corporate structure, cultivate and develop the market system, focusing on developing intermediary organizations and markets for all kinds of factors of production, transform government functions to create a sound macro-control system, improve the social security system and create an income distribution system with distribution according to work as its principal mode of distribution, while

rewarding efficiency and considering fairness, open wider to the outside world, and speed up efforts to participate in international economic cooperation and follow the necessary international economic practices. While implementing this comprehensive suite of reforms, it is also necessary to properly balance reform, development and stability to ensure that they are well coordinated and mutually reinforcing.

In short, the central leadership hopes SEZs will take the lead in creating a socialist market economy and continue to function as the country's laboratory for deepening reform.

Second, SEZs need to maintain rapid yet sound economic development by deepening reform and opening wider.

To do so, I think they should concentrate on doing the following tasks well.

1. SEZs need to energetically undertake economic restructuring. It may be said that this is now an urgent task for SEZs, and its intensified planning and implementation must occupy a position high on their agendas. SEZs must comply with Comrade Deng Xiaoping's demand to "develop high technology and apply it in industry,"[1] and expend greater efforts in developing new- and high-technology industries. In principle, SEZs should not continue doing "three fabrications and one compensation"[2] work, which has little technology content and is labor-intensive; rather they should gradually shift those operations to the interior to help it develop. SEZs underwent economic development earlier than the interior and have better foundations and conditions for development, and their production and labor costs are rising, so their economies should evolve to a higher level. Relatively developed coastal regions should also follow this principle. Relocating many labor-intensive industries to the interior is beneficial for industrial upgrading and modernization in SEZs and coastal regions, stimulating economic development in the interior, reducing the blind migration of rural labor from the hinterlands, and decreasing the development gap between regions, thus killing several birds with one stone. All SEZs should continue to put great effort into developing their outwardly oriented economies, focusing on raising their levels, winning on quality, and working hard to produce and export high value-added products with high technological content. At the same time, they should actively organize multinational enterprise groups, energetically train talented people who understand international finance and trade, strive to set up and make the most of economies of scale, and constantly make their enterprises more

competitive internationally. It is also necessary for SEZs to energetically develop tertiary industries compatible with their overall economic levels that can provide services to their outwardly oriented economies.

2. SEZs need to strive to excel in their management work. They need to develop their economies and strengthen their management. Management work needs to be comprehensive, and its level needs to rise. Management of the economy, the law, administration and society all need to be improved. It is inconceivable that we could carry out modernization without modern management. SEZs need to improve management to become more orderly, expeditious and effective. The key to improving management is increasing study and training, raising the quality of management personnel, and strictly enforcing the management system. SEZs should be in the forefront in implementing and strengthening modern management nationally and serving as pacesetters.

3. SEZs need to further improve their investment environments. They need to improve both their hard infrastructure environments and their soft environments by strengthening laws and institutions and raising productivity and the quality of services. Genuinely improving their investment environments will greatly increase SEZs' ability to attract investment from large foreign enterprise groups.

4. SEZs need to give high priority to improving their master planning for development. Not only is master planning necessary, it must also be scientific and practicable. When they formulate their master development plans, SEZs first of all need to have a comprehensive outlook, one that subordinates their plans to the national master plan. Next, they need to thoroughly consider their circumstances, such as their markets, resources, geographical conditions, material and technological base, and workforce, as well as the radiative effect of their development on surrounding areas. Overall coordination is especially important when planning large infrastructure projects and core industry projects. Planning cannot be limited to short-term plans: medium- and long-term plans are also necessary. Only scientific master planning can prevent or decrease blind development and its consequent losses. Some comrades say that a scientific master plan is itself a kind of wealth; that is, a well-formulated master plan can quickly translate into new wealth. I think this is well stated and accords with materialist dialectics.

Third, SEZs need to continue to attract foreign business and establish links with the interior to make new contributions to stimulating and pro-

moting the common development and prosperity of all regions throughout the country.

It is necessary to maintain the lateral ties SEZs and relatively developed coastal regions have with the interior and ensure they cooperate with each other based on a division of labor in which each complements the other's weaknesses with their own strengths. This is very important and has far-reaching historical significance for promoting the common development of the socialist market economy throughout the country, gradually closing the development gap between interior and coastal regions, achieving common prosperity, safeguarding social stability and strengthening national unity.

Several years ago, talk about links with the interior usually referred to the flow of capital and talent from the interior to SEZs and coastal regions. In recent years, this situation has undergone a change: ties with the interior have become bidirectional, and capital and talent have begun to flow from SEZs to the interior. I view this as a positive phenomenon. Reputedly, over four billion yuan flowed from Shenzhen to the interior last year. Practical experience validates the correctness of the policy of SEZs attracting foreign business and forging links with the interior.

For more than a decade, the development of SEZs has relied largely on support from the interior, but from now on, SEZs should do more to give impetus to and assist the interior's economic development. Our purpose in creating SEZs was not only to enable them to develop and modernize; our larger objective was to use their development to promote the development of other regions of the country through radiative effects. We need to make it clearer that this is the basic orientation and important principle of SEZ development.

All SEZs need to constantly attract more foreign capital and advanced foreign technology and managerial expertise while continuing to become more competitive internationally and increase their foreign exchange earnings. SEZs need not only to use foreign capital and advanced foreign technology and managerial expertise more effectively, but also to actively spread them to the interior. They should not only put their own products on the international market, but also forge links with the interior and Hong Kong and Macao to market even more Chinese products abroad. In this way, the power and capability of SEZs will increase, as will their contributions. Furthermore, promoting common development and prosperity along with other regions will spur SEZs' own development even further.

I hope that the leaders of all SEZs will regularly do research on methods and measures to strengthen their economic and technological ties with the interior and on how to better employ their manpower and their material and financial strength to support the development of impoverished interior regions, and that they remain on the path to common prosperity. This is very important for the economic development of SEZs and the entire country and also has bright prospects.

Fourth, SEZs, and especially the Shenzhen and Zhuhai SEZs, need to play a greater role in promoting the stable transition and the long-term prosperity of Hong Kong and Macao.

We will resume the exercise of sovereignty over Hong Kong and Macao on schedule. This has attracted worldwide attention and will have a tremendous impact both domestically and abroad. Because Shenzhen and Zhuhai border Hong Kong and Macao respectively, their unique economic geography gives them a role in promoting the stability and development of Hong Kong and Macao that no other region in China can play. The better Shenzhen and Zhuhai develop economically and socially, the more attractive they will be to Hong Kong and Macao, and the easier it will be to rouse the patriotism of our compatriots there.

After we resume the exercise of sovereignty over Hong Kong and Macao, they will be special administrative regions in accordance with the principle of "one country, two systems," and they will continue to have capitalist systems and develop their capitalist market economies. The Shenzhen and Zhuhai SEZs, however, will adhere to the socialist system and continue to develop socialist market economies. Thus there certainly will be a large social and political boundary between them that we cannot ignore. Shenzhen will not and cannot become an extension of Hong Kong, and Zhuhai will not and cannot become an extension of Macao. Our comrades in Shenzhen and Zhuhai, and especially their leaders, need to have a clear understanding of this. The more vitality and superiority the development of Shenzhen and Zhuhai's socialist market economies, socialist democratic politics and socialist culture and ethics exhibits, the more stable Hong Kong and Macao will be and the more secure their long-term prosperity will be. Conversely, if the economies of Shenzhen and Zhuhai are unable to rise to a new level and they do not make a point of combating negative and decadent influences but allow social order and public morals to deteriorate, this will not only be detrimental to the stability and prosperity of Hong Kong and Macao, but Shenzhen and Zhuhai will also lose their

advantages. This is a point that warrants our full attention.

Fifth, we need to energetically strengthen the development of socialist culture and ethics in SEZs and strengthen and improve the Party's leadership of the work of SEZs.

In his important talks during his inspection tour of the south, Comrade Deng expressly pointed out that socialism with Chinese characteristics can flourish only when there is both material progress and cultural and ethical progress. That is to say, socialism with Chinese characteristics involves both a high level of material progress and a high level of cultural and ethical progress, and if either of them is absent, the result is not socialism with Chinese characteristics. Everyone must thoroughly grasp this important thinking of Comrade Deng's and conscientiously place equal emphasis on both. In these talks, Comrade Deng made this demand of the entire country, but directed it first and foremost at SEZs and open coastal regions.

We should acknowledge that over the past few years the SEZs and open coastal regions have experienced rapid economic development and made gratifying material progress. By contrast, although much effort has been put into promoting cultural and ethical progress and some success has been achieved, quite a few problems persist. For example, the growth of influence peddling, distorted high consumption, money worship and the difficulty in stamping out social vices such as prostitution and drug abuse have affected public security, social order and social conduct. Of course, these phenomena exist not just in SEZs and open coastal regions, but also in the interior. The masses are dissatisfied with this situation, and we must view it very seriously and adopt firm measures to redress it. We need to address both its symptoms and root causes to do well in promoting both material progress and cultural and ethical progress so that they stimulate each other and advance together.

We must be perfectly clear that creating new advantages not only means creating new economic and material advantages but also means creating cultural and ethical advantages and ideological and political advantages, and making all-round social progress. Both material progress and cultural and ethical progress need to be raised to a higher level. It is obvious that if a city lacks a sense of security, it will not be able to attract foreign business or capital. We must resolve to truly solve the problem of inadequate cultural and ethical progress and should therefore devote as much effort to it as to material progress. You cannot say a leading cadre is

qualified if he or she does well in promoting material progress but not in promoting cultural and ethical progress. When we look at a leading cadre's record, we should look at his or her ability and accomplishments in promoting not only the former but also the latter. At no time and under no circumstances should material progress come at the cost of undermining or sacrificing cultural and ethical progress; rather, it should stimulate it. We need to both satisfy the people's cultural needs and constantly provide psychological motivation and intellectual support for material progress. All this exemplifies important principles that we should be fully conscious of when balancing material progress and cultural and ethical progress and according equal weight to both.

Developing socialist culture and ethics in our new circumstances is by no means an easy task. However, if everyone truly recognizes its importance, we have a complete set of development measures, we do our work with a genuine sense of urgency, and leaders and the people really work together, then we can solve problems of considerable difficulty and can surely progress culturally and ethically. I sincerely hope that SEZs will take the lead nationwide not only in promoting reform, opening up and economic development, but also in building socialist culture and ethics.

As we deepen reform, open wider to the outside world and develop a socialist market economy, SEZs encounter numerous new conflicts and problems. There is an urgent need to further strengthen and improve the Party's leadership of SEZ work and to further strengthen the Party in SEZs ideologically and organizationally, and improve its work style. It is crucial to organize Party members and cadres of SEZs to conscientiously study Comrade Deng's important expositions of Party building in the new period so that they constantly strengthen their Party spirit and commitment, adopt correct ideals and convictions and a correct outlook on life and sense of values, firmly adhere to the principle of wholeheartedly serving the people, and resolutely resist the corrosive influence of every kind of negative, decadent manifestation, in order to safeguard the centralized, unified leadership of the Party, truly get Party committees at all levels to serve as leadership cores and political nuclei, get primary Party organizations to play their role as bastions, and let Party members play an exemplary role as vanguards.

If we follow Comrade Deng's instructions, always place equal emphasis on material progress and cultural and ethical progress, and constantly strengthen and improve the Party's leadership, our SEZs can definitely

continue to achieve and sustain economic prosperity, cultural development, an outstanding social atmosphere and social stability in a flourishing and civilized setting.

[1] Message prepared by Deng Xiaoping for the National Working Meeting for the March 1986 High-Tech Program and the Working Meeting for New- and High-technology Industry Development Zones on April 23, 1991. *Chronicle of Deng Xiaoping's Life (1975-97),* Chin. ed., Central Party Literature Publishing House, Beijing, 2004, Vol. II, p. 1,329.

[2] The three fabrications are processing imported materials, assembling imported parts and producing products according to supplied samples, all of which fall in the category of doing processing or assembly for foreign clients in circumstances in which the foreign clients supply the materials, parts or samples, the finished products are sold abroad by the foreign clients, and the Chinese partners receive payment only for the processing. The one compensation is compensation trade, a form of trade in which a foreign business provides a Chinese enterprise with equipment, facilities and technology from abroad or the Chinese enterprise buys them with foreign export credit. The Chinese enterprise then undertakes production and pays for the equipment, facilities and technology, or repays the loan with interest by reselling its products to its foreign partner.

WE HAVE FULL CONFIDENCE IN HONG KONG'S FUTURE*

July 7, 1994

What is most important at present is to strengthen overall confidence in Hong Kong's future and be more vigilant of the British Hong Kong authorities. Britain was originally a colonial power, and now we desire them to withdraw from Hong Kong. Will they do so willingly? No. Hong Kong is a fat piece of meat the British once acquired. If we want them to let go of it, will they do so willingly? No. Therefore, they are creating all the obstacles they can to Hong Kong's return to the motherland on July 1, 1997. No matter which party is in power in Britain, their interests all coincide on this issue. Five years ago, in December 1989, Mrs. Thatcher[1] wrote me a letter on the subject of democratization. At the time I said that Hong Kong had always been ruled by a governor who held all administrative and judicial power in his hands, so why was there now this abrupt shift toward democracy? We do not oppose democracy, but it needs to be instituted gradually and be consistent with a region's level of development. Developed capitalist countries have their democracy, and we have ours. We believe that our kind of democracy is most suitable for us. In short, those in power in Britain will do everything possible to offer resistance and create obstructions to resolving the Hong Kong question between now and July 1, 1997. We have already issued a statement concerning the British Hong Kong authorities' political reform package[2] restating our position that we refuse to even acknowledge it! In 1997 we will reorganize the legislative, executive, urban councils and District Boards in accordance with relevant provisions of the Basic Law of the HKSAR.

On various aspects of the Hong Kong question, we have always been perfectly clear: the principle of "one country, two systems" needs to be affirmed; the Sino-British Joint Declaration needs to be affirmed; the Basic Law of the HKSAR needs to be affirmed; and the principle that Hong Kong people rule Hong Kong with a high degree of autonomy needs to be affirmed. Not long ago, during my inspection tour of Guangdong and

* Excerpt from remarks to the members of the Executive Council of the Hong Kong-based One Country Two Systems Research Institute during their visit to Beijing.

Fujian provinces, I gave a speech in Shenzhen in which I made it a point to state that the border between Hong Kong and Shenzhen cannot be removed, and that Hong Kong is capitalist while Shenzhen is socialist. If this border were to be removed, it would either be capitalist Hong Kong changing socialist Shenzhen or socialist Shenzhen changing capitalist Hong Kong. Our principle of "one country, two systems" is perfectly clear. It is a major principle and will not change under any circumstances.

After July 1, 1997, we need to guarantee Hong Kong's long-term stability and prosperity. If Hong Kong is not stable and prosperous, it will change from a "fragrant harbor" [the literal meaning of Hong Kong in Chinese — Tr.] to a "stagnant harbor." The stability and prosperity of Hong Kong are of great importance not only to Hong Kong but also to the mainland. They are inseparable from the mainland because the mainland has large quantities of raw and semi-finished materials, technology and labor, as well as a vast market. Guangdong and Fujian are developing quickly, and they are also inseparable from Hong Kong because many of their factories are funded by Hong Kong entrepreneurs. And the funding for many others is funneled through Hong Kong from other points of origin. In a word, the more stable and prosperous the mainland is, the more it can promote Hong Kong's development. Conversely, Hong Kong can function as a window for the mainland. This is a point we need to understand.

We need to actively take steps to adopt whatever benefits Hong Kong's stability and prosperity. We cannot allow the British to reap all the benefits from Hong Kong's construction projects. They may not concern themselves solely with what benefits they can siphon from Hong Kong by social spending that Hong Kong cannot afford; they also need to allow the people of Hong Kong the means of survival. They cannot throw a party and expect Hong Kong to foot the bill. This is a principle that underlies everything we do. We need to take precautions against future eventualities.

Both Japan and the United States have suffered great losses from their bubble economies. We do not want Hong Kong's real estate market to fluctuate excessively. We also hope that fluctuations in Hong Kong's financial markets will be held to a minimum. At present, the Bank of China is participating in issuing currency in Hong Kong, but it is the British Hong Kong government's duty to ensure the region's financial stability because the British remain the rulers there until July 1, 1997. There are 1.8 million workers in Hong Kong without adequate retirement security. This is a big problem that needs to be solved properly. Retirement security affects the

interests of employers, employees and the government, and solving this problem is very important for maintaining social stability in Hong Kong. It seems to me that the British side intends to transfer a number of matters that are clearly the responsibility of the government over to nongovernmental agencies before July 1, 1997, reducing government functions to virtually nothing. Educating the people of Hong Kong to love both the motherland and Hong Kong is a basic task. Of course, it can be completed only gradually.

Speaking candidly, the question of Hong Kong occupies a lot of my attention. I am firmly resolved to settle it well. If it is not settled properly, we will have failed in our duty to future generations. I will go to Hong Kong when it returns to the motherland on July 1, 1997.

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[1] "Hong Kong Must Enjoy a Stable Transition Period," note 1, p. 80, this volume.

[2] In his first Policy Address in Hong Kong in October 1992 as the region's last British governor, Chris Patten set forth a political reform package for making massive changes to the method of constituting Hong Kong's District Boards in 1994 and of its urban, regional and legislative councils in 1995. This package violated the provision in the Sino-British Joint Declaration stating that the Chinese and British governments would strengthen consultations and cooperation during the transition period, the principle agreed upon by China and Britain that changes made to Hong Kong's political system should dovetail with the Basic Law of the HKSAR, as well as agreements and understandings that the two sides had reached, making this a "three violations package." These violations are principally manifested in the following ways.

First, according to the provisions of the Sino-British Joint Declaration, China and Britain, through the Sino-British Joint Liaison Group, would jointly deliberate and approve measures for ensuring a smooth transfer of government in 1997 during the second half of the transition period. The method of the formation of Hong Kong's District Boards in 1994 and of its urban, regional and legislative councils in 1995 will have a tremendous effect on the HKSAR's political system after 1997. In particular, on the basis of the understanding reached by the Chinese and British governments in 1990 through the exchange of seven letters between their foreign ministers, the NPC adopted the Decision on the Method of the Formation of the First Government and the First Legislative Council of the HKSAR on April 4, 1990. Paragraph 6 of that decision states, "If the composition of the last Legislative Council in Hong Kong before the establishment of the HKSAR conforms with the relevant provisions of this decision and the Basic Law of the HKSAR of the People's Republic of China, those of its members who uphold the Basic Law, pledge allegiance to the HKSAR, and meet the requirements set forth in the Basic Law may become members of the first Legislative Council of the HKSAR after being confirmed by the HKSAR Preparatory Committee." This is what is commonly called arranging for a "through train." When the British side unilaterally issued its political reform package without consulting the Chinese side, which directly affected the arrangement of British Hong Kong's last Legislative Council as a through train, its action violated the provisions of the Sino-British Joint Declaration.

Second, the political reform package changed the indirect nature of functional constituency elections in the Legislative Council. The British Hong Kong authorities introduced the functional constituency election system for the Legislative Council in 1985. This system differentiated the people of Hong Kong into industrial, commercial, finance, labor, education, legal, accountancy and other functional constituencies. With voting in some functional constituencies done by legal entities such as organiza-

tions and corporations, and voting in others done by natural persons with official professional standing in the constituency, in all cases the constituencies elected their allotted number of members of the Legislative Council. The purpose of this method of indirect election was to ensure that the financial sector and professions were represented in the Legislative Council. During the process of drafting the Basic Law, the British side suggested this election system to the Chinese side. For the sake of balanced participation and gradual and orderly progress, the Drafting Committee for the Basic Law accepted the British suggestion and incorporated it into the Basic Law. However, the political reform package replaced all forms of corporate voting in functional constituency elections with voting by individuals. Furthermore, it added nine new functional constituencies for the election of the Legislative Council in 1995, expanding their scope of eligible voters to the entire working population of Hong Kong, thereby greatly increasing the number of eligible voters in functional constituencies from less than 100,000 in 1991 to 2.7 million people. This both violates the principles on which the functional constituency election system was established and changes the indirect nature of functional constituency elections, turning them into direct elections. It also violates the principle that Hong Kong's political system should dovetail with the Basic Law, and it has the consequence that the composition of the last British Hong Kong Legislative Council would not conform to the decision of the NPC and the provisions of the Basic Law.

Third, the political reform package proposed that all or most of the members of the Election Committee for the 1995 Legislative Council be drawn from the directly elected members of District Boards. However, Article 2 of Annex I to the Basic Law states that the Election Committee shall be composed of members from the following four sectors in equal numbers: 1) industrial, commercial and financial sectors; 2) the professions; 3) labor, social services, religious and other sectors; and 4) members of the Legislative Council, representatives of district-based organizations, Hong Kong deputies to the NPC, and representatives of Hong Kong members of the CPPCC National Committee. The political reform package violated the principle that Hong Kong's political system should dovetail with the Basic Law, and it directly violated the 1990 understanding the Chinese and British governments reached through the exchange of seven letters by their foreign ministers that the composition of the last British Hong Kong Legislative Council and the method of its formation should be the same as those of the first Legislative Council of the HKSAR.

Fourth, the political reform package also proposed abolishing the appointed seats on District Boards and the two Municipal Councils in violation of the principle of gradual and orderly progress in instituting democracy in Hong Kong as specified in the Basic Law.

This reform package met with firm opposition from the Chinese government and fierce criticism from the people of Hong Kong. In these circumstances, the British government had no choice but to seek talks with the Chinese government on procedures for Hong Kong elections in 1994 and 1995. The Chinese government, taking achievement of a stable transition and preservation of the stability and prosperity of Hong Kong as its starting point, agreed to hold talks with the British government. The two sides reached agreement that their talks should be based on the Sino-British Joint Declaration, the principle that Hong Kong's political system should dovetail with the Basic Law, and past agreements and understandings between the two parties. Representatives of the Chinese and British governments met for 17 rounds of negotiations between April and November 1993 on the issue of holding elections in Hong Kong in 1994 and 1995. The Chinese side hoped agreement could be reached quickly so that Hong Kong would have a smooth transfer of government in 1997 against the backdrop of Sino-British cooperation, and it worked tirelessly to achieve this result. However, Britain stubbornly held to its wrong stance, unilaterally broke off negotiations following the 17th round of negotiations, and submitted some of the questions under negotiation in these bilateral negotiations to the Legislative Council for discussion, which directly led to the termination of negotiations.

In view of the fact that Britain broke the bridge connecting the two political systems that the two sides had originally built, the Chinese side decided to make a fresh start and take charge of completing all the preparatory work for China's resumption of the exercise of sovereignty over Hong Kong. On August 31, 1994, the NPC Standing Committee passed a decision that clearly states, "The term of

Hong Kong's last legislative, urban and regional councils and District Boards under British rule shall cease on June 30, 1997. The election procedures made unilaterally by the British government for them violate the Sino-British Joint Declaration and are not in accord with the Basic Law of the HKSAR of the People's Republic of China and the Decision of the NPC on the Method of the Formation of the First Government and the First Legislative Council of the HKSAR." The Standing Committee decided that the HKSAR Preparatory Committee should assume the responsibility for preparations for setting up the HKSAR, prescribe the concrete method of the formation of its first Legislative Council, and set it up on that basis.

OUR TIBET WORK MUST EFFECTIVELY ENSURE THE REGION'S STABILITY AND DEVELOPMENT*

July 20, 1994

The central leadership has always been greatly concerned about and paid close attention to our Tibet work, and promptly made major policy decisions on it in every important historical phase of the revolution, construction and reform. Under the correct guidance of the central leadership, cadres and the masses in Tibet and troops garrisoned there have united in struggle to thoroughly transform Tibet by replacing its system of feudal serfdom with a socialist system, thereby enabling the region to achieve progress unprecedented in history. Since the Third Plenary Session of the Eleventh Central Committee, the central leadership has convened two forums on Tibet work, at which they formulated a series of special policies and flexible measures to benefit Tibet's development that have played an important role in promoting the region's reform, opening up and modernization.

This meeting is being held in new international and domestic circumstances. Its main tasks are to take Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the Party's basic line as its guide, focus on the two major issues of Tibet's stability and development, study the new situation, solve new problems, further clarify and strengthen the ideology steering our Tibet work, implement measures to safeguard stability and accelerate development, and endeavor to inaugurate a new phase in our Tibet work.

I. Fully Realizing the Importance of Our Tibet Work from a Comprehensive Strategic Perspective

China is a unified, multiethnic country with 56 ethnic groups, all of which are equal in the great family of the Chinese nation, and all ethnic au-

* Speech at the Third Forum on Tibet Work held by the Central Committee and the State Council. Its original title was "Safeguard Stability, Accelerate Development and Inaugurate a New Phase in Our Tibet Work."

tonomous areas constitute inseparable parts of the People's Republic. The Tibet Autonomous Region is a focal point of our ethnic work in border areas. Doing our Tibet work well and strengthening the Tibetan people's unity with the Han and other ethnic groups is of great importance for enhancing the great unity of the Chinese nation.

Tibet is the roof of the world, and the Himalayan Mountain Range provides a natural barrier in China's southwest and northwest. Tibet is of unique strategic importance because it occupies one eighth of the country's total area, has nearly 4,000 kilometers of the country's border, is China's major gateway to South Asia and is an important frontline in preserving the country's security.

From the perspective of economic development, our objective in building socialism with Chinese characteristics is to bring prosperity to all regions and the people of all ethnic groups in the country. Due to natural, historical and social factors, Tibet's economic and social development has long lagged behind. Although Tibet's progress in all areas has captured worldwide attention since the founding of New China, there is still a big disparity between it and other parts of the country. If we do not accelerate Tibet's development, the stability of the region and the development of the entire country will certainly be affected. The most fundamental means of accelerating Tibet's development is to speed up economic development. If its economy improves, other matters will be easier to deal with. Tibet is one of China's five large pastoral zones; abounds in minerals, hydropower and geothermal power resources and tourist sites; and has unique animal and plant resources, all of which gives the region great potential for economic development. Promoting Tibet's economic development and gradually turning resource potential into actual economic strength not only will first of all enrich the people of all ethnic groups in Tibet, but will also play an increasingly important role in promoting development of the whole western region as well as the entire country.

From the perspective of international political conflict, since the Opium War, Tibet has been a chink in China's armor foreign aggressors penetrated in their attempt to partition the country and divide the Chinese nation. They have long colluded with Tibetan separatist forces, conspired to carry out numerous acts of sabotage, and fanned the flames of so-called Tibetan independence and Greater Tibet. Since the founding of New China, international hostile forces have never abandoned this political plot. They supported the rebellion in Tibet in 1959, following which the Dalai

Lama[1] fled China. Since the conclusion of the standoff between the Soviet Union and the United States, international hostile forces have continued to use the so-called Tibet question as a card to westernize and divide China. On the one hand, they openly admit that Tibet is a part of China, while on the other they surreptitiously do all they can to support the separatist activities of the Dalai Lama clique, brazenly interfering in China's internal affairs. Why are some foreign political forces so "concerned" about Tibet? Why do they support the Dalai Lama clique regardless of cost? Their fundamental motive is to try to contain China strategically, separate Tibet from China and throw China into chaos. No matter whether they have what it takes or not, they have nurtured this dream for over a century. The political conspiracy of international hostile forces to westernize and divide China and their support for the expanding separatist activities of the Dalai Lama clique are a source of anxiety, a lurking danger, for the whole Party and the people of all our ethnic groups. Faced with their challenge, we must win and we can win. Thwarting their plots is our important political mission to safeguard the sovereignty of the motherland, strengthen national unity, preserve the country's security and maintain social stability.

It is precisely for this reason that Tibet work has such an important strategic place in the totality of the work of the Party and the state. All Party members, especially leading cadres in Party committees and governments at all levels, must clearly realize that Tibet's stability affects the country's stability, that Tibet's development affects the country's development, and that Tibet's security affects the country's security. Emphasizing Tibet work is in fact emphasizing our overall work, and supporting Tibet work is in fact supporting our overall work. On this issue, we must unify our thinking and raise our awareness.

II. Ideology Guiding Several Major Issues of Improving Our Tibet Work

From now to the end of this century is a crucial period for the economic and social development of Tibet. This forum needs to mark a turning point in our Tibet work. It needs to enlist the support of the people throughout the country; rely on the people of the Tibetan and other ethnic groups; seize opportunities; rise to challenges; deepen reform; open up wider; adhere to economic development as the central task; focus on both stability and development; guarantee economic development, all-round

social progress and long-term political stability; and ensure the people's standard of living constantly rises under the guidance of Comrade Deng's theory of building socialism with Chinese characteristics and the Party's basic line.

In order to do all our Tibet work well, we need to review our practical experience, make the most of our achievements, remedy our deficiencies, mobilize all cadres and the masses in the region to unite and look to the future, and make a concerted effort to ensure Tibet's stability and development.

I would like to offer a number of recommendations on several major issues concerning improving our Tibet work, with a focus on guiding ideology, as follows.

First, the issue of development.

The key to accelerating Tibet's economic and social development is to integrate the central leadership's major policies with Tibet's concrete realities. In Tibet's economic and social development, as well as its reform and opening up, we need to take overall national interests and Tibet's realities as our starting point and seek truth from facts. This is a basic principle for doing our Tibet work well.

We need to accelerate Tibet's development and keep it at a vigorous pace; otherwise, the gap between Tibet and other regions will continue to grow; this would be detrimental to gradually achieving common prosperity. However, we may not demand that development proceed too fast, be impatient or become divorced from reality because after all there are many subjective and objective factors restricting Tibet's development that are difficult to fundamentally change in a short time. The central leadership conducted research, conscientiously listened to opinions from many sources, and concluded that an economic growth rate of about 10% for the foreseeable future is an aggressive target that can be achieved through hard work.

For now and the foreseeable future, the focus of Tibet's growth should be on agriculture and animal husbandry, as well as on basic industries and infrastructure, such as transportation, energy and communications, in order to foster the vitality and stamina necessary for self-development. We need to continue swift and effective development of the Yarlung Zangbo, Lhasa and Nyang Qu rivers. We need to continue to make progress on evaluation and exploration for building a railway to Tibet. Our basis needs to be exploiting the region's advantages and creating economic and indus-

trial structures adapted to its actual circumstances. We need to improve agriculture and animal husbandry, exploit mineral resources, develop tourism and commerce, and set up processing industries focused on using local resources or supplying local markets, as well as on closely integrating these industries and getting them to stimulate each other. Such economic and industrial structures will likely continue to conform to Tibet's realities for a considerable time into the future.

At the same time as we develop Tibet's economy, we must pay particular attention to developing education, science and technology, culture and health in order to promote all-round social progress. In our education work, we should focus on strengthening elementary education and continue to operate the secondary schools and teaching classes for Tibetans in the interior well. In our cultural work, we need to both promote fine Tibetan cultural traditions and absorb the best of other ethnic cultures, as well as integrate outstanding traditional culture with modern culture, in order to better develop modern socialist culture in Tibet.

The motive force for Tibet's development derives from deepening reform and opening wider. Tibet's situation is the same as the rest of the country's with regard to the objective of economic restructuring: they both need to establish a socialist market economy. Here, it is necessary to particularly point out that due to Tibet's underdeveloped commodity economy and a number of other causes, it will take a long time to make preparations and lay a foundation before we can achieve this objective, and a number of accommodations and transitional measures will also be needed. Some ministries and commissions of the State Council have already presented a number of special policies for assisting Tibet's development during its economic restructuring to this meeting. Please study them.

All of Tibet's development needs to be directed to enriching the people of Tibet's ethnic groups, improving their material and cultural lives, and promoting ethnic unity and progress. Comrade Deng said, "Tibet has tremendous development potential. Many of China's natural resources are located in minority nationality areas, including Tibet and Xinjiang. If these areas can begin to develop, their future will be bright."[2] Even though Tibet's development faces and will continue to face many difficulties, there are also many conditions favorable to its success. Just as Comrade Deng has admonished, we should be aware of Tibet's development potential and be fully confident of achieving a bright future.

Second, the issue of stability.

The stability of Tibet is a precondition for ensuring sustained progress in all of our undertakings there and the gradual rise of the people's standard of living. Without stability, there is nothing we can do. Tibet's stability is also of enormous significance for the whole country's reform, development and stability. Overall, the situation in Tibet is stable, the cadres and the masses of all the ethnic groups there are united, and the army maintains good relations with the local people. However, there are a few destabilizing factors, the most important of which is the separatist activities of the Dalai Lama clique. In recent years, this clique has intensified its separatist activities. It has actively sought the support of international hostile forces, tried to internationalize the Tibet question, and collaborated more closely with ethnic separatists who have fled abroad from Xinjiang and Inner Mongolia and secessionist forces advocating Taiwan independence. In addition, it has also increased its acts of sabotage in Tibet and in Tibetan ethnic areas of provinces. It has anointed a large number of reincarnated living Buddhas without authorization; has lured a number of lamas and believers, and even some cadres, to go abroad for training, and then sent them back here; and has tried to infiltrate our inner circles by every possible means. This is the tactic of sending supporters abroad for training and inserting them in key positions when they return. This clique preaches nonviolent struggle and peaceful advance, yet also supports the preparations of the Tibetan Youth Congress and other groups to violently overthrow the CPC and our country's socialist government. It has already fomented numerous riots and attempted to aggravate the situation by expanding its separatist activities and disturbances to agricultural and pastoral areas.

Because the Dalai Lama clique receives support from international hostile forces, this battle is a continuation of the battle the Chinese people have waged for over a century against the plots of foreign aggressors to split China. Everyone must fully realize that this battle will be protracted and complex. Our attitude is that the Dalai Lama must abandon Tibetan independence and stop his efforts to split the motherland. Advocating independence, semi-independence, covert independence, or Greater Tibet in the form of either a country or region is out of the question, but everything else is open to discussion. The nature of our conflict with the Dalai Lama clique is not one of religion versus atheism, or self-rule versus external rule; rather, it is one of safeguarding the unity of the motherland and opposing separatism. Cadres at all levels, especially mid- and high-ranking ones, must have a correct understanding of the nature of all views

espoused by the Dalai Lama clique, the nature of this conflict, the fundamental principles and policies underlying our struggle against separatism and conditions favorable to us.

The people of all Tibet's ethnic groups have a glorious tradition of safeguarding ethnic solidarity and national unity. Cadres and the masses in Tibet are the primary force upholding unity and stability, and they are their fundamental guarantee. Whoever undermines ethnic solidarity and foments separatism will certainly be met with firm opposition from the masses of all Tibet's ethnic groups and the people of the whole country. They will certainly be defeated and go down in history for their infamy.

Safeguarding Tibet's stability and opposing separatism pervades all facets of our work. We need to work together with purpose and emphasize doing our own work well, accelerating Tibet's economic development and making our country more powerful. In short, we absolutely must not allow Tibet to separate from the motherland, and we absolutely cannot allow Tibet to remain backward for long. Only socialism can save and develop China, and only socialism can save and develop Tibet.

We need to resolutely crack down on separatist activities and criminal actions within Tibet in accordance with the law. When incidents do occur, we must deal with them firmly, decisively and promptly in order to nip potential disturbances in the bud. We need to maintain a high level of vigilance against infiltration and subversion by international hostile forces and the Dalai Lama clique, and when they occur we must firmly crack down. We need to correctly manage sensitive social issues arising in the course of reform and opening up in Tibet to prevent them from being used by ethnic separatists. We need to be on heightened alert against and punish in accordance with the law the small minority of die-hard reactionaries who seek to counterattack and retaliate and to attack and persecute lower-level cadres. We need to further strengthen national defense, secure our borders, and transform our mighty people's democratic dictatorship into a Great Wall of steel impervious to international hostile forces, separatists and criminals of all stripes.

Third, ethnic and religious issues.

Tibet is the autonomous region with the highest percentage of ethnic minority people in its population, and Tibetan Buddhism has long had a profound influence on the Tibetan people. Doing our ethnic and religious work well is of great importance for safeguarding stability and promoting development. Therefore, we need to pay close attention to ethnic and re-

ligious issues in everything we do and always consider and support ethnic and religious work. We need to conscientiously carry out and implement the Party's ethnic and religious policies and the state's laws in our political, economic and cultural work in Tibet.

The system of regional ethnic autonomy is the Party's basic system for managing our country's ethnic affairs. Long experience in Tibet and other ethnic autonomous regions shows that this system is fully in accord with our national conditions and is full of vitality. In our future work, we must continue to unwaveringly implement this system and fully implement the Law on Regional Ethnic Autonomy. In addition, we need to promptly formulate rules and regulations for implementing this law in order to enrich and improve this system and law in the course of their use so that Tibetans and the people of other ethnic minority groups can better exercise their right to run their own matters and participate in managing state affairs. It is noteworthy that the system of regional ethnic autonomy we practice integrates ethnic and geographical factors with political and economic factors. This is beneficial both for the people becoming masters of their own country and for safeguarding national unity. The Dalai Lama clique's espousal of so-called Greater Tibet and a high degree of autonomy is in essence a call for independence or semi-independence. It is substantively different from our regional ethnic autonomy, and we must thoroughly unmask and refute it.

With the development of commodity production and the creation of a socialist market economy, the interaction and cooperation between Tibetans and between them and the Han and other ethnic groups will inevitably increase. Indivisible bonds between Tibetans and the Han and other ethnic groups, marked by interdependence, mutual assistance and common progress, will inevitably grow stronger. This is an objective necessity and an inexorable trend in economic and social development and ethnic progress, and we should thus welcome and encourage it. In addition, we need to clearly see that misunderstandings and frictions of various kinds are unavoidable in interaction between ethnic groups due to differences in their interests, cultural backgrounds and customs. As for such conflicts among the people, they should be dealt with based on the nature of the case, and they should not be treated as a matter of ethnic relations. As a matter of general principle, we need to correctly handle these conflicts to achieve the goal of strengthening unity and developing together. We absolutely cannot adopt a bureaucratic attitude in resolving such conflicts, since this would

only aggravate them. More importantly, we must take strict precautions so that ethnic separatists and those wishing to restore feudalism cannot exploit such conflicts to stir things up and fish in troubled waters.

Large numbers of Tibetans believe in Lamaism, and there are numerous lamaseries and lamas in Tibet. This makes it necessary to fully implement the Party's policy on freedom of religious belief and protection of legitimate religious activities. In addition, supervision of lamaseries needs to be improved in accordance with relevant government regulations and the principle of separation of church and state. We absolutely must not allow religion to interfere with political and social affairs such as administration, judicial proceedings and education. We must emphasize the fact that CPC members are atheists and, regardless of ethnic background, must uphold materialism and atheism and are not permitted to hold religious beliefs. We must not only protect the freedom of religious belief of the great pious masses, but also fortify their socialist ideological and political education and their education in science and culture, and trust and rely on them for success in all of our undertakings. We must tighten the education of and supervision over lamas. If they love the country and socialism, we will unite with them and encourage them to do more both for the people and to safeguard the unity of the motherland and build socialism. We must do everything we can to prevent hostile forces from using religion as an avenue for infiltration. We need to be more vigilant against the small minority of people who carry out acts of sabotage under the pretext of religion, promptly expose them and punish them in accordance with the law. In recent years, numerous cases of unauthorized building of lamaseries and initiation of lamas in Tibet and other Tibetan ethnic areas have occurred, with a resulting significant waste of human, material and financial resources and a heavy burden imposed on the masses. We must closely monitor this problem.

In our ethnic and religious work, we must both fully mobilize patriots in upper-level positions and make full use of lower-level cadres and the masses by training them to become a powerful force of activists, enhancing their political and ideological understanding and work ability, and teaching them to love both their own and other ethnic groups, firmly adhere to the Marxist ethnic outlook and consciously resist the influence of narrow ethnocentrism. We need to get them to fully play a leading role in the work of safeguarding the unity of the motherland, opposing ethnic separatism and accelerating development of all of our endeavors.

Fourth, the issues of foreign-oriented publicity and work.

In order to get the international community to better understand the central government's principles and policies on Tibet and the situation of Tibet's development and to rebut the concocted attacks by international hostile forces and the Dalai Lama clique, we need to energetically and effectively tighten our foreign-oriented publicity work. We need to publicize the longstanding and intimate relations existing between the Tibetan ethnic group and the Han and other ethnic groups. We need to keep this publicity work well focused. We need to make it well known that China is a multi-ethnic country that has been united for millennia and that safeguarding national unity fulfills the people's desire and serves the common interests of all ethnic groups. With respect to the relationship between Tibet and the central government, Tibet has long been directly and effectively under the jurisdiction of the central government. Since the time of the fifth Dalai Lama, the title of Dalai Lama has been officially conferred by the central government. An envoy from the KMT government presided over the enthronement ceremony of the 14th Dalai Lama. We need to conscientiously study and scientifically publicize Tibetan history to make it clear that Tibet is an inseparable part of China, that our Tibetan compatriots are members of the great family of the Chinese nation, and that the people of all the ethnic groups in Tibet have contributed enormously to safeguarding the unity of the motherland and opposing ethnic separatism. It is particularly important to propagate information concerning the present situation. We need to publicize the development and changes that have taken place in Tibet and the great achievements made by the people of the Tibetan, Han and other ethnic groups in building a new Tibet since the founding of the People's Republic, and especially since the Third Plenary Session of the Eleventh Central Committee. In this publicity, we also need to expose the backwardness and barbarism of the system of Tibetan serfdom before the democratic reform and reveal the true separatist nature of the Dalai Lama clique. In this publicity, we must take the initiative, identify our targets, steadfastly state the facts and emphasize principles, become more targeted and persuasive, and adopt more flexible and diverse methods.

International hostile forces have always sought ways to play the so-called Tibet card. At the United Nations and before other international organizations and in international activities, we must not only counter antagonistic viewpoints of hostile forces with reasonable, advantageous and restrained responses, but also do more with international friends who do not under-

stand the true situation. There are some international activities we need to actively participate in to explain our position and seize the initiative.

Fifth, the issue of strengthening the Party and the government.

The first thing that needs to be done to ensure that the major policies of the central leadership are fully implemented in Tibet is to do a good job strengthening the Party and the government. The state of this work, the quality of cadres and the level of leading bodies at all levels have a bearing on the success of our Tibet work and the security of Tibet.

Overall, Tibet's primary Party organizations and government bodies are in good shape, and they are bastions of reform, development and stability. However, we should also note that a significant number of Party organizations and government bodies are weak and lax, and that some are wholly or partially paralyzed. This is a source of anxiety. If this problem goes unresolved and an urgent situation arises, they will not be able to contain it, it will spread and chaos will ensue. We need to investigate and study primary Party organizations and government bodies, commend the deserving, and bolster, strengthen or rectify those that need it. The key to building a primary Party organization is choosing its secretary well. We should energetically support the work of lower-level cadres and improve their working and living conditions. We need to constantly show solicitude for the political circumstances and living conditions of retired lower-level cadres.

At present, there are more than 60,000 cadres in Tibet, the majority of whom are Tibetans, which demonstrates that the Party has trained a large number of Tibetan cadres since the peaceful liberation of Tibet. This is a great achievement of the Party's policies on ethnic groups and cadres. History has already shown that this Tibet contingent of cadres, with Tibetans in the majority, but including members of the Han and other ethnic groups, is tried and true and completely trustworthy. Since the early 1950s, cadres from the Han and other ethnic groups have gone to Tibet to work. With a high degree of political awareness and sense of self-sacrifice, they have overcome all kinds of adversity, faithfully implemented the principles and policies of the central leadership, observed strict discipline, respected the customs of their Tibetan compatriots, did a great deal of good work for the benefit of the people of all ethnic groups in Tibet, united as one with Tibetan cadres and masses, and made historic contributions to promoting ethnic unity and developing Tibet. Through their words and deeds, the people of all of Tibet's ethnic groups have learned about the Party, come to understand it and taken the socialist road.

Comrade Mao Zedong observed in the early years of the People's Republic, "Without a large number of communist cadres of ethnic minorities, it is impossible to thoroughly solve ethnic problems and totally isolate ethnic reactionaries."[3] To promote the development of all of our undertakings in Tibet, we need to continue to put great effort into training large numbers of ethnic Tibetan cadres who have both talent and good character, and to quickly place the best among them in leadership positions at all levels, while at the same time continuing to transfer a number of cadres from the Han and other ethnic groups to work in Tibet. These cadres should include Party and government cadres, administrators and technical personnel. We must improve the composition of this contingent and raise its overall quality, while continuing to keep Tibetans in the majority, combined with a certain number of cadres from the Han and other ethnic groups. This will provide an organizational guarantee for safeguarding Tibet's stability and accelerating its development. Comrade Deng put it well when he said, "The population of Tibet is thinly scattered over a vast area. The two million local Tibetans alone are not enough to carry out development, and there is no harm in having some Han people go there to help. If the problems in Tibet and China's policy towards minority nationalities are judged on the basis of the number of Han people in Tibet, the conclusion is bound to be wrong. . . . When assessing a minority nationality area, the important thing is to see whether it has development potential. If the number of Han people there is fairly large, and if they are helping the local people develop the economy, that's not a bad thing. In judging a matter of this sort, one has to consider the essence and not the form."[4] I sincerely hope that cadres working in Tibet, whether of Tibetan, Han or other ethnicity, will draw upon the glorious traditions of the previous generation of Tibet cadres of close unity with the masses, plain living, hard work and selfless devotion to work, and that they will learn from each other, support each other and wholeheartedly serve the people of all the ethnic groups in Tibet. To strengthen unity among ethnic groups, we must first strengthen unity among cadres from those ethnic groups. All mid- and high-ranking cadres at and above the county level in Tibet bear a heavy responsibility for the reform, development and stability of the region. They should first of all diligently study Marxism-Leninism, Mao Zedong Thought and especially Comrade Deng's theory of building socialism with Chinese characteristics, and firmly establish a Marxist outlook on the world, ethnic issues and religion, while at the same time learning more about the socialist market economy and modern

science and technology. They need to fully and correctly understand the Party's basic line, and lead the people in keeping economic development as the central task and making progress in all of our undertakings. They need to take a firm stand in the battle against separatism and successfully lead the masses in the unremitting struggle against ethnic separatist forces and feudal restoration. They should be exemplars and play a leading role in drawing upon and carrying forward the outstanding work style and fine traditions of the Party.

III. Getting All of the Country's Regions and All the Departments of the Central Leadership to Energetically Support Tibet's Development

The stability and development of Tibet depend most fundamentally on a spirit of self-reliance and hard work on the part of cadres and the masses in Tibet, but also require the entire country's support. It has always been policy of the Party and government and the common responsibility of the people of all the country's ethnic groups to care for and support Tibet. All central government ministries and commissions and all provinces, autonomous regions and municipalities directly under the central government need to fully grasp the far-reaching significance of the central leadership's policy of national support for Tibet from the perspective of the overall interests of the Party's work and the country's economic and social development, and the need to enhance the cohesiveness of the Chinese nation and assist Tibet in the areas of personnel, funding, technology, goods and materials. They will need to provide this unstinting assistance long into the future. Assistance is reciprocal. Linking Tibet more closely with the interior economically, culturally and socially, increasing assistance to it and energizing its self-development are necessary for the development not only of Tibet but also of the whole country. Of prime importance when sending cadres from the Han and other ethnic groups to buttress Tibet's development is to select and train them well to ensure they meet high ideological and political standards and are professionally qualified. When they go to Tibet to work, the regions and organizations that send them must show concern for the living conditions of them and their families. After they return from Tibet, the organizations that sent them must find them good jobs. This is the only way those going to Tibet will go there worry free. It is necessary to first make sure the 62 projects designated by the central lead-

ership[5] are implemented. After the central leadership drew up this list of Tibet aid projects, all regions and departments gave them high priority, and indicated they would overcome all difficulties and energetically fulfill their duties. The central leadership believes that all regions and departments can fully meet the qualitative and quantitative requirements for completing projects they are responsible for, as well as assume responsibility for training operational, management and technical personnel, assist Tibet with its management work, and ensure substantial benefits are realized.

This forum is focused on discussing how to improve our Tibet work. In addition to Tibet, Tibetan autonomous areas include ten autonomous prefectures and two autonomous counties, distributed in Qinghai, Sichuan, Gansu and Yunnan provinces. Their total population exceeds 3.8 million, of whom 2.5 million are Tibetans. Improving our work in these areas is therefore extremely important. The central leadership has always been concerned about and paid close attention to these prefectures and counties. I hope the provinces they are in will strengthen their leadership, support and assistance for the work there based on the guiding principles of this forum and according to their situation. Primary responsibility for ensuring and furthering the stability and development of these areas lies with the provinces. If provinces encounter real difficulties, relevant departments of the central leadership will provide needed support.

The foundation of our Tibet work is sound, and there are many favorable conditions for carrying on this work, including the presence of local Tibetan cadres the Party has trained and cadres of all ethnic groups from other parts of the country as well as military cadres it has sent to Tibet since the region's peaceful liberation more than four decades ago, the deep affection for and close ties to the Party the countless emancipated serfs and their descendants have developed, the alignment of the ethnic and religious leaders and all patriotic forces with the Party and government under the banner of the patriotic united front, the concern and attention of the central leadership, and the support and assistance of people throughout the country. The central leadership believes that this Third Forum on Tibet Work will mark a new starting point in our Tibet work and that encouraged by the guiding principles of this meeting, Tibet's reform, development, stability and all its other work will move inexorably forward.

[1] "On Ethnic Work," note 4, p. 184, this volume.

[2] "China's Policy, Based on the Equality of Nationalities, Is to Accelerate Development in Tibet," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 242.

[3] "Train Large Numbers of Cadres of Ethnic Minority Groups," *Collected Works of Mao Zedong,* Chin. ed., People's Publishing House, Beijing, 1999, Vol. VI, p. 20.

[4] Deng Xiaoping, *op. cit*., pp. 242-43.

[5] The 62 projects for assisting the development of Tibet were designated at the Third Forum on Tibet Work held by the Central Committee and the State Council on the 30th anniversary of the establishment of the Tibet Autonomous Region. They involved such areas as agriculture, animal husbandry, industry, mining, water resources, energy, transportation, communications, culture, education, health and urban development. Responsibility for these projects was divided between 13 central government ministries and commissions; 29 provinces, autonomous regions and municipalities directly under the central government; and six cities specifically designated in the state plan. These projects were all completed in 2001 with a total investment of 4.86 billion yuan.

PROMOTE THE GREAT NEW UNDERTAKING OF PARTY BUILDING*

September 28, 1994

The CPC has more than 54 million members and is the ruling party of a large country with a population of nearly 1.2 billion. We are facing the novel question of how to build the Party in new historical circumstances, and this is an arduous task. At this plenary session, the Central Committee elevated Party building to prominence as a great new undertaking and assigned clear objectives and tasks, which are to turn the Party into a Marxist party that is armed with the theory of building socialism with Chinese characteristics; serves the people wholeheartedly; is staunch ideologically, politically and organizationally; can withstand all manner of hazards; and always stands in the forefront of the times. All Party members need to rouse their spirit, work effectively, and do their best to achieve these objectives for Party building in the new period.

On the basis of the prevailing situation, current tasks and the Party's condition, Comrade Mao Zedong stated in "Introducing *The Communist"* in 1939 that good Party building is a great undertaking. The first-generation central collective leadership, with Comrade Mao at its core, integrated the basic tenets of Marxism with the realities of the Chinese revolution, formulated a correct political line, and creatively solved a series of problems in establishing a proletarian party in the unique historical conditions of a semi-colonial, semi-feudal society. In fierce revolutionary struggles and brutal wars the Party grew stronger day by day, became a nationwide Marxist political party of the masses, and united with them and led them to victory in the new-democratic revolution, after which it established a basic socialist system and made great achievements in developing socialism, thus completely transforming the face of China. This was a grand accomplishment of global significance.

In this new historical period, the Party shoulders the great task of leading the people throughout the country in carrying out reform, opening up and modernization. This is a new revolution. The Party must be strong and powerful to lead this revolution and drive it forward. The second-

* Excerpt from a speech at the Fourth Plenary Session of the Fourteenth Central Committee.

generation central collective leadership, with Comrade Deng Xiaoping at its core, always gave high priority to the important issue of strengthening Party building in accordance with the Party's basic line. Comrade Deng repeatedly stressed that we must turn our Party into "a militant Marxist party, a powerful central force leading the people throughout the country in their efforts to build a socialist society that is advanced materially and ethically."[1] The Central Committee and Comrade Deng led the whole Party in beginning the great new undertaking of Party building. In the past 16 years, the Party has achieved successes in the area of Party building, and the Decision on Several Important Issues on Strengthening Party Building adopted at this session fully affirms them.

If the Party is to stay in the forefront of the times, always exercise firm leadership throughout the course of socialist modernization, always retain its nature as the vanguard of the working class and adhere to the purpose of serving the people wholeheartedly during this broad and profound historic transformation, and always maintain the initiative in fierce international competition, then we must continue to constantly strengthen the Party and view carrying out this great new undertaking as a sacred duty. Here, I would like to particularly discuss several problems.

1. **Continue to effectively carry out the strategic task of arming the whole Party with Comrade Deng's theory of building socialism with Chinese characteristics**

This is the foundation for our great new undertaking. Comrade Deng's theory of building socialism with Chinese characteristics carries forward, enriches and develops Marxism-Leninism and Mao Zedong Thought, and it is the scientific guide for the Party's new historical creations, while standing as a powerful intellectual pillar for rejuvenating and developing the Chinese nation. The Central Committee pointedly passed a resolution last November on studying the third volume of the *Selected Works of Deng Xiaoping*, and organized four theoretical study sessions for principal leading cadres at the provincial and ministerial level. All regions and departments conducted these seminars. In general, cadres at all levels have studied conscientiously. At this plenary session, the Central Committee has decided to continue to organize study sessions for leading cadres in the Party and government at and above the county level to conscientiously study Marxism-Leninism and Mao Zedong Thought, with the focus on studying and gaining a good understanding of Comrade Deng's theory of building socialism with Chinese

characteristics. It also decided to carry out study activities concerning this theory and the Party Constitution for all Party members over the next three years in a planned and step-by-step manner. This is a strategic measure to raise the theoretical and ideological level of the whole Party. Previous experience informs us that, in order to deepen theoretical study, it is necessary to strive to conscientiously read and study Comrade Deng's original writings, and comprehensively and systematically understand the scientific system underpinning the theory; to assiduously cultivate the scientific attitude of emancipating our minds, seeking truth from facts and being creative; to strive to use theoretical research to solve major current problems, especially the issue of what socialism is and how to develop it; and to become more purposeful and resolute in implementing the Party's basic line. Party committees at all levels need to learn from and disseminate their positive experiences in studying theory and actually complete the study tasks mandated at this plenary session.

At present, our country is in the process of creating a socialist market economy. This is a grand undertaking. We must continue to take Comrade Deng's theory of building socialism with Chinese characteristics as the guide for our work. We need to be perfectly clear on a number of basic issues. For example, the fundamental purpose of creating a socialist market economy is to further liberate and develop the productive forces. We need to always keep socialist public ownership dominant while permitting and encouraging the development of the non-public sector of the economy, and optimizing its supplementary role. We need to both allow and encourage some regions and individuals to prosper first, while insisting that they help others to thrive so as to eventually achieve prosperity for all. We need to attach equal importance to material progress and cultural and ethical progress. At no time and under no circumstances may cultural and ethical progress be sacrificed as the price for economic development, and we will not allow the spread of anything that harms the people or pollutes society. In times of historic transformation such as this, it is difficult to prevent misgivings, confusion or even misapprehensions from creeping into people's minds. Also, various types of phenomena harmful to our cause are occurring in society. Our Party's high-ranking cadres must remain lucid and resolute when dealing with issues with a bearing on the overall situation, political orientation and fundamental principle. This plenary session has imposed five strict requirements on high-ranking cadres in their capacity as statesmen, with the focus on China's overall reform, development and sta-

bility, and the country's long-term political stability.[2] We believe all regular and alternate members of the Central Committee, and all other high-ranking Party cadres are fully aware of their own historic responsibility and will temper and strengthen themselves in accordance with these requirements and prove themselves worthy of the great trust the Party and people have placed in them.

2. Adhere to the purpose of serving the people wholeheartedly and to the Party's mass line, and continue to promote good Party conduct and clean government

Serving the people wholeheartedly is the Party's fundamental purpose and the basic reason why the Party always receives the support and esteem of the people. Today's historical conditions and social environment have changed compared to the past revolutionary era, and so have the Party's tasks, but the Party's fundamental purpose and its outstanding work style absolutely must not. Under the conditions of developing a socialist market economy, Communist Party members must still stress ideals, the overall picture, dedication, serving the people wholeheartedly, and subordinating personal to collective interests and the interests of the part to those of the whole. Party members and leading cadres need to lead by example. What sets Party members apart from non-members and leading cadres apart from rank-and-file Party members is to a considerable extent manifested here. Our country is a socialist state governed by a people's democratic dictatorship led by the working class and based on the worker-farmer alliance, and the people are the masters of the country. All power cadres have has been given to them by the people, and it may only be exercised for their benefit. It absolutely must not be used as capital in pursuit of personal gain or the private gain of a small clique. This principle is not hard to comprehend, but at present a number of Party members and cadres do not understand it sufficiently and some have even fallen into the practice of using their power for personal gain. Consequently, we need to constantly and repeatedly stress this principle and try to solve this problem by strengthening institutions.

In recent years, the Central Committee has repeatedly emphasized the need to adhere to the Party's mass line. The mass line is the fundamental line for implementing the Party's ideological, political and organizational lines, and we should implement it in all Party work. To strengthen Party building, it is vital for the Party to always maintain intimate relations with

the masses. Our reform and development can smoothly progress only if we have the understanding, support and involvement of the masses and make full use of their enthusiasm and creativity. We can consolidate and strengthen the Party's leadership position only if we have the confidence and support of the masses. If it loses the support of the people, the Party can accomplish nothing and will not be able to survive. At present, some of our comrades' mass consciousness is weak, and in some localities and departments Party members are divorced from reality and the masses, in some departments very seriously so. We must take this problem very seriously and earnestly rectify this bad work style. We need to come out from our isolation in the upper echelons, and go down to the primary level and mingle with the masses, especially in areas and organizations having difficulties, so we can understand what the people are thinking and feeling and do something to solve their problems and relieve them of their worries. Leaders at all levels need to show concern for problems affecting the vital interests of the masses, guard against new conflicts that may arise in the course of reform and development, foresee incipient problems, and nip them in the bud at the primary level where they arise.

Party members, especially leading cadres, must speak honestly, work conscientiously, and be responsible to the Party and people. For some time now, the unhealthy practices of making false and exaggerated reports and engaging in deception and formalism have been spreading in various localities and departments, and the work reports cadres there submit significantly diverge from actual conditions and contain greatly exaggerated statistics. Leaders in all regions and departments where this phenomenon occurs must take it very seriously. If a problem arises due to unreasonable demands leaders impose or improper guidance they provide, those leaders must take the initiative to correct the situation. If a problem arises due to the fault of their subordinates, leaders must take an unequivocal attitude and adopt effective measures to solve it. Grievous cases must be dealt with strictly.

Adhering to the purpose of serving the people wholeheartedly requires improved Party conduct, cleaner government and an intensified battle against corruption. This is a prominent problem that the masses are very concerned about. Party committees at all levels must further strengthen their leadership and thoroughly and persistently carry out this work in accordance with the Central Committee's arrangements. To do this work well, we must clarify a few basic issues. Some of them have been discussed

before, but I would like to re-emphasize them. First, we need to focus on economic development while attaching equal importance to both material progress and cultural and ethical progress, and integrating the anti-corruption fight with efforts to deepen reform, open up wider, promote development and preserve stability. Second, we need to be mentally prepared for a protracted anti-corruption fight and win campaigns currently under way to progressively deepen the struggle. Third, we need to focus on leading departments within the Party and government, administrative law enforcement agencies, the judiciary and economic management departments, and on leading cadres at and above the county and section chief level. If we do well in these areas, problems in other areas will be relatively easy to solve. Fourth, we need to trust and rely on the masses, and integrate complaints from the public with efforts by special bodies to investigate and handle cases in accordance with the law. When we receive complaints from the public containing serious allegations, we need to thoroughly investigate the cases to expose the whole truth. We need to concentrate our energies on investigating large and important cases, get to the truth of the matter, and punish offenders in accordance with the law. We need to use Party discipline and state law to strictly punish anyone who shields offenders, obstructs justice or seeks to retaliate against those reporting abuses. Fifth, we need to conscientiously correct improprieties in industries, and we must energetically and conscientiously solve any problems that the people complain strongly about. Sixth, we need to steadfastly address both root causes and symptoms in a holistic manner. When a problem is exposed, we need to identify its root causes, review lessons learned, close loopholes, devise sound standards and strengthen supervision. Seventh, leading cadres need to strictly discipline themselves, be paragons of diligence and clean government service, and fulfill to the letter all requirements for self-discipline imposed by the Central Committee. This is most essential. Leading cadres can solve problems in their regions and departments only if they lead by example and act properly. Leading cadres in SOEs must also be subject to requirements of self-discipline. Members of the Central Commission for Discipline Inspection present at this plenary session and commissions for discipline inspection at all levels under the leadership of their respective Party committees need to conscientiously perform all their duties, do the work of promoting good Party conduct and clean government promptly and well, and achieve results.

3. Strengthen the Party organizationally in order to provide an effective guarantee for implementing the Party's political line

Consolidating the Party organizationally in order to provide an effective organizational guarantee for implementing its political line is an important lesson it has learned through 70 years of hard struggle. Ideological, organizational and work style improvements complement each other. The whole Party needs to effectively improve its organization at the same time as it conscientiously makes improvements in its ideology and work style in accordance with the Central Committee's overall arrangements.

Strengthening the Party organizationally is a requirement of the evolving situation and our growing tasks, as well as a requirement for the Party's own self-development. Everyone agrees that the three tasks defined at this plenary session are urgent and important for strengthening the Party organizationally. The ideological unity of a working-class political party should be grounded on organizational unity. These three tasks are very important for achieving organizational unity. They are intimately interrelated and cannot be dealt with in isolation. The task of adhering to and improving democratic centralism aims to invigorate intra-Party life, stimulate the whole Party's enthusiasm and creativity, get everyone to work together with a common understanding and a common will, and uphold what is right and oppose what is wrong in order to change the Party into a more united and militant entity under the guidance of the Party's basic theory and line. The task of strengthening and improving primary Party organizations seeks to improve and develop every Party cell, forge stronger ties with the masses, and put the Party's principles and policies into practice in order to lay a firmer foundation for carrying out the tasks set by the Party. The task of energetically selecting and cultivating leading cadres with outstanding skill and character seeks to improve the quality of Party cadres and ensure an orderly succession of new cadres to replace the old, in order to give the Party a leading group that is full of vitality. If we accomplish these three tasks, the Party's organization will be stronger and more solid, and this will provide an organizational guarantee for achieving the objectives for the second step of the strategic plan for modernization, and better enable China to march into the 21st century.

Emphasizing institutional improvement is an important guiding thought of the decision adopted at this session. Institutional improvement is of fundamental, overall and long-term significance, and it is important for national stability. Our Party has amassed a wealth of experience in Party

building during more than 70 years of development, and it has outstanding traditions and work style. How can we carry on and enhance these traditions long into the future? An important aspect of our work is to institutionalize these traditions by creating an entire, scientifically integrated organizational system. We need to comprehensively and meticulously plan how to make rules and regulations more scientific and create new mechanisms and norms better suited to the requirements of the new historical period in the areas of promoting democratic centralism, improving primary Party organizations, and selecting and training cadres.

To strengthen the Party ideologically, politically and organizationally, we need to learn from both our successful and unsuccessful historical experiences and from the rise and fall, success and failure of socialism in other countries. Of greatest importance is the need to hold to a correct political line, always maintain intimate bonds with the masses, and unite with everyone to focus on economic development. In this way, the Party can constantly consolidate itself ideologically, politically and organizationally so we can "Let the wind blow and waves beat, Better far than idly strolling in a courtyard."[3]

4. Meticulously organize the implementation of the guiding principles of this plenary session

All Party members and all the people of the country have high hopes for the Party building discussed at this plenary session. A good document has been produced at this session. What's important now is its implementation. We must undertake a great deal of difficult and painstaking work. Here, I wish to particularly note that in recent years, most decisions and resolutions adopted by the Central Committee have been implemented well, or at least satisfactorily, but the implementation of some has been less than ideal. When this has happened, the main reason has been that leaders have not given those resolutions high priority and not worked effectively to implement them. Starting today, we will revive an article of discipline: all decisions and resolutions by the Central Committee must be conscientiously implemented. Departments of the Central Committee and Party committees at higher levels need to strengthen supervision and inspection. Party committees at all levels need to conscientiously formulate specific measures to implement the decision adopted at this session on the basis of their actual conditions, make arrangements for all the work to be completed, clearly delineate leadership responsibility and do their own work

well. Higher-level Party committees also need to conduct monitoring in accordance with this decision. Departments of the Central Committee, especially the Organization Department and the Central Commission for Discipline Inspection, need to promptly create and improve institutions and formulate relevant regulations in accordance with the decision of this session. The Publicity Department of the Central Committee and local publicity departments at all levels need to do publicity work to assist in the implementation of this decision. Principal leaders at provincial, prefectural and county levels need to be grounded in reality and visit the primary level in order to promptly understand and solve any problems that arise in implementing this decision, gather experience and guide the work under their jurisdiction. The Central Committee will also send people to local areas to undertake investigations and spur the work on.

According to the decision adopted at this plenary session, our Party must excel at understanding and improving itself in the new circumstances of reform and opening up, and conscientiously study and resolve conflicts and problems arising in self-development. This is an extremely important guiding principle, and we need to conscientiously put it into practice in improving the Party ideologically and organizationally, and improving its work style. When we encounter anything that does not conform to the requirements of building socialism with Chinese characteristics or the requirements and goals of Party building in this new period, we should boldly eliminate it. That is to say, we should uphold and use our successful experience while working creatively, and we should start from reality in enriching the content of Party organizations' activities and improving their work methods. This will make the Party more united and bursting with vitality.

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[1] "The Party's Urgent Tasks on the Organizational and Ideological Fronts," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 50.

[2] The five requirements on high-ranking cadres were set forth in the Decision of the CPC Central Committee on Several Important Issues Concerning Strengthening Party Building, which was passed at the Fourth Plenary Session of the Fourteenth Central Committee on September 28, 1994. According to Article 16 of this decision, high-ranking cadres, especially principal leading cadres of the Party and government at and above the provincial and ministerial level, not only need to become proficient in general knowledge and professionally competent and do their job well, but first and foremost must also strive to become statesmen who sincerely believe in Marxism, keep to the path of socialism with Chinese characteristics, and have the ability to run the Party and government. In addition, the decision sets forth five requirements they should meet. They should 1) have firm political convictions, always keep their heads clear, purposefully adhere to the Party's basic theory and line, and be able to stand the test

of any hardship; 2) have broad vision, be thoroughly familiar with the country's conditions, understand the world, emancipate their minds, seek truth from facts, be pragmatic and innovative, and break new ground; 3) be open-minded, stress Party spirit, keep the overall picture in mind, implement democratic centralism in an exemplary fashion, be impartial and just, appoint subordinates on the basis of merit, and excel at uniting with others and working with them; 4) have good leadership ability and a good mastery of leadership skills, be skillful in assessing situations, be able to direct the overall situation, and excel at coordinating all kinds of forces; and 5) have an outstanding work style, handle public affairs honestly and diligently, work hard, be well grounded in reality, carry out investigations and studies, be modest and circumspect, maintain close ties with the masses, and wholeheartedly serve the interests of the people.

[3] "Swimming — to the tune of *Shui Tiao Keh Tou*," *Mao Tsetung Poems,* Eng. ed., FLP, Peking, 1976, p. 31.

SUGGESTED PRINCIPLES FOR ASIA-PACIFIC ECONOMIC COOPERATION*

November 15, 1994

In the five years since the founding of the Asia-Pacific Economic Cooperation, the international situation has been highly volatile, the world has become increasingly multipolar, and profound and complicated changes have occurred in international relations. The people of the world face both opportunities and challenges. The question of how to more effectively safeguard world peace, promote economic development for the remainder of this century and ensure that the world enjoys a 21st century that is peaceful, prosperous and splendid is one that people everywhere are seriously contemplating. Solving this question is a historic mission that leaders of our generation have to shoulder.

It should be noted that the world is still plagued with problems and conflicts, and faces growing unrest and uncertainty. Some countries and regions are even being ravaged by endless wars and disasters that have plunged their peoples into a sea of misery. How can development occur in such a state of turmoil? Stability is a key prerequisite for us to successfully steer the ship of history into the new century. The world needs stability, regions need stability and countries need stability. Without an environment of stability, we can accomplish nothing and will lose what has already been accomplished. The people of the world demand for peace, stability, development and cooperation. In a vastly diverse and rapidly changing world, we must advocate inclusion rather than exclusion, friendly coexistence rather than bullying or confrontation, and seeking common ground and setting aside differences rather than interference. The major reason why the economies of East Asian countries have developed so rapidly in recent years is their stability, mutual respect, and economic cooperation based on equality and mutual benefit. This has laid the foundation for cooperation in the Asia-Pacific region and helped sustain its robust economic growth.

Peaceful negotiations are the only viable solution to disputes between countries. The Middle East peace process and the Agreed Framework recently signed by the United States and the Democratic People's Republic

*Speech at the 2nd APEC Economic Leaders' Meeting in Bogor, Indonesia.

of Korea are cases in point. We welcome these positive developments and hope that peaceful negotiations will be used more frequently to resolve international disputes.

Putting the economy first has become the trend in the world. This is an inevitable development as time and history progress. At present, economic development is the top priority for all countries. Development not only influences the economic prosperity and political stability of individual countries, but also the peace and security of the world. Economic factors really are increasingly emerging as a key element in present-day international relations. Constantly strengthening cooperation and coordination among all countries on the basis of equality and mutual benefit, while increasingly supplying each other's needs and drawing on others' strengths to offset one's own weaknesses is the way to promote economic development and achieve prosperity for all and to lay an important foundation for safeguarding world peace. In particular, the international community should put great effort into getting developed and developing countries to take advantage of each other's strengths and narrowing the gap between rich and poor so that the world enjoys sustained, balanced and stable economic development. This is not only a demand of developing countries, but also a requirement for sustained economic development in developed countries.

We are glad to see that amid the tide of changes taking place in the world, the positive trend continues in the Asia-Pacific region. The region has maintained relative political stability, rapid economic development, fast trade growth, robust expansion of investment, and rapid advances in science and technology, while exhibiting tremendous potential for regional cooperation. As long as we correctly assess the situation, work together, flow with the current of the times and squarely confront reality in the Asia-Pacific region, the prospects for regional economic development and cooperation will remain bright.

The ancient Chinese philosopher Mencius said, "It is the nature of things to be of unequal quality."[1] This is true not only for nature but also for human society. APEC members are located in both the northern and southern hemispheres, and from Asia and Oceania to North and South America. Some of them have ancient civilizations with a long history and others are newly industrialized countries. Some are sovereign states, while others are regional economies. Some span continents, while others are composed of tiny islands in the vast ocean. Some have levels of economic

development as high as any in the world, while others are still struggling to build infrastructure. The population of APEC members ranges widely, from nearly 1.2 billion to several hundred thousand. The annual per capita GNP of APEC members varies greatly, from more than US$ 20,000 to just several hundred US dollars. APEC members differ significantly in their history, culture, religion and customs. For this reason we find a wide variety of differing political and economic systems and ideological views in the Asia-Pacific region, which together form a great multi-colored tableau. Given such diversity, it would be unrealistic to try to impose uniformity. Only when there are tolerance and inclusiveness and countries learn from each other will the conditions be ripe for common development and progress.

Today's world is an interdependent world. Modern technology has shortened the geographic distance between nations. Human beings face many challenges that transcend national boundaries. Economic relations, trade, scientific and technological development, environmental protection, population control, disaster reduction and relief, prohibition of illegal drug activity, crime prevention, nuclear non-proliferation, and AIDS prevention and control all are interrelated global issues that require cooperation on the basis of norms observed by all. Since the 1980s, trade, market development, capital flow, transfer of industries, scientific and technological exchanges, and flow of information have significantly increased among APEC members as ties among them have grown closer.

The reality of the Asia-Pacific region is that it is both diverse and interdependent. Diversity engenders mutual complementarity, and interdependence creates a need for mutual cooperation. If we recognize this reality and turn it to our advantage, then Asia-Pacific economic cooperation will flourish and have increasingly brighter prospects. In view of this consideration and the developments that have emerged since our meeting in Seattle last year, I would like to suggest the following five principles for future Asia-Pacific economic cooperation.

1. Mutual respect and reaching consensus through consultation. APEC members, which are all at varying stages of economic development and have differing social systems, should respect each other and live in harmony. On important issues such as the orientation, focuses and pace of Asia-Pacific economic cooperation, APEC members should advocate discussion and consultation and make decisions by reaching consensus through negotiation.

2. Measured progress and steady development. Since APEC mem-

bers differ substantially in their levels of economic development and have different political status and developmental priorities, cooperation needs to be pragmatic and prudent and develop gradually. When formulating major measures in particular, we need to deliberate, proceed with caution, and implement them in a planned, gradual and step-by-step manner, in order to achieve substantive results.

3. Mutual opening and lack of exclusion. Above all, APEC members need to open to each other and not discriminate against any other member. They should not be ready to erect barriers whenever a dispute arises. In addition, we should also expand exchanges and cooperation with countries in other parts of the world and draw on their strengths while deepening economic cooperation within the region.

4. Broad cooperation and mutual benefit. The approach to cooperation can be opened further and areas of cooperation can be expanded. We should continue to give priority to issues of trade and investment, but should also focus greater attention on cooperation in areas of common concern to developing APEC members, such as poverty eradication, technology transfer, infrastructure development and development of human resources.

5. Narrowing disparities and promoting prosperity for all. Of the two billion people living in the Asia-Pacific region, 1.5 billion still live with an annual per capita GNP of less than $1,000. We need to not only consider issues of opening markets and liberalizing trade in developing regional economic cooperation, but, even more importantly, take into account the needs of developing APEC members, help them overcome the various factors restricting their development and narrow the gap between them and developed members so that all can prosper. In particular, developed members should open their markets to products from developing members. Helping more than a billion people in the Asia-Pacific region cast off poverty and become prosperous will have an inestimably positive impact on our efforts to expand trade and markets, increase investment opportunities, promote scientific and technological progress, and deepen economic cooperation in the region.

The issue of trade liberalization in the Asia-Pacific region has become a focus of attention both inside and outside the region. Looking to the future, it is an objective necessity arising from our economic interdependence for APEC members to further reduce barriers, open markets and expand trade with other members. This will also allow APEC members to take advantage of their respective strengths, capitalize on the

advantages of other members, and help maintain the trend of sustained economic growth in the Asia-Pacific region. We are therefore in favor of setting the liberalization of trade and investment as a long-term goal, and working out an appropriate schedule to achieve it. We are also in favor of concluding an agreement of intent on these issues at this meeting. We believe that trade liberalization should be grounded on the principle of non-discrimination. It should also be based on the actual state of diversity within the region. The overall course and methods for achieving trade liberalization in this region, with its wide differences in levels of economic development, should be significantly different from those for a region that is generally economically developed, and trade liberalization should proceed in a gradual, orderly and step-by-step manner. Different timetables can be worked out for APEC members with differing levels of economic development to basically achieve trade liberalization. Different schedules and methods can also be adopted for different economic sectors. It would be neither realistic nor in the spirit of fair competition to require all members and all economic sectors to proceed at the same pace regardless of levels of development and actual conditions. In the final analysis, trade liberalization is a means of attaining the goal of bringing development and prosperity to all countries and regions in the Asia-Pacific region.

China's economic development is inseparable from the economic development of the world and the Asia-Pacific region, and economic development in the world and the Asia-Pacific region benefits from a booming Chinese economy. A stable and prosperous China is a strong force safeguarding peace in the world and stability in the Asia-Pacific region. The Chinese people send a message of peace, friendship, cooperation and development to the peoples of the Asia-Pacific region and to the peoples of the world. Let us join hands and work together for a bright tomorrow for APEC and the new Asia-Pacific century.

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[1] *Mencius,* Book V, "Teng Wen Gong" Part I.

CONTINUE TO PROMOTE THE REUNIFICATION OF THE MOTHERLAND*

January 30, 1995

The people of all China's ethnic groups have recently celebrated New Year's Day 1995 and are now welcoming Spring Festival. On the eve of this traditional Chinese festival, it is of great significance that our Taiwan compatriots in Beijing and other dignitaries have gathered here to discuss the future of relations across the Taiwan Straits and the great cause of the peaceful reunification of the motherland. On behalf of the Central Committee and the State Council, I would like to take this opportunity to wish our 21 million Taiwan compatriots a happy New Year and the best of luck.

Taiwan is an inseparable part of China. A hundred years ago, on April 17, 1895, Japanese imperialists used belligerent means to force the decadent Qing court to sign the humiliating Treaty of Shimonoseki, under which they forcibly seized Taiwan and the Penghu Islands and subjected the people of Taiwan to a half-century of Japanese colonial rule. The Chinese people will never forget this humiliation. Fifty years ago, the Chinese people, together with other peoples of the world, defeated Japanese imperialism. Taiwan and the Penghu Islands returned to the Chinese domain on October 25, 1945, and the people of Taiwan cast off the shackles of colonial rule. However, for reasons known to all, Taiwan has been in a state of separation from the Chinese mainland since 1949. Achieving the complete reunification of the motherland and promoting all-round rejuvenation of the Chinese nation are still the sacred missions and lofty goals of all Chinese.

Since the NPC Standing Committee published its Message to Our Compatriots in Taiwan in January 1979, we have formulated the basic principle of "peaceful reunification and one country, two systems" as well as a series of policies concerning Taiwan. Comrade Deng Xiaoping is the chief architect of China's reform and opening up and the creator of the great concept of "one country, two systems." With foresight and pragmatism, he formulated a series of important theoretical ideas for resolving the Taiwan question that bear the distinctive stamp of the times and set forth guiding

* Speech at a reception celebrating Spring Festival organized by the Taiwan Affairs Offices of the Central Committee and the State Council and other organizations.

principles for the peaceful reunification of the motherland.

Comrade Deng remarked that the central issue is reunification of the motherland. All descendants of the Chinese nation want to see China reunited. Division is contrary to the will of the nation. There is only one China, and Taiwan is a part of it. We will not allow there to be "two Chinas" or "one China, one Taiwan," and we firmly oppose Taiwan independence. There are only two ways to resolve the Taiwan question: by peaceful means and by non-peaceful means. The way the Taiwan question is resolved is entirely a matter of China's internal affairs and we absolutely will not tolerate any foreign interference. We have steadfastly advocated achieving reunification by peaceful means through negotiations. At the same time, we cannot promise to renounce the use of force. We cannot do so because that would only make it impossible to achieve peaceful reunification and inevitably lead to the eventual settlement of the question by the use of force. After reunification, we will implement the policy of "one country, two systems." Most parts of the country will adhere to the socialist system, and Taiwan may keep the system it has. "The idea is not that one party should swallow up the other."[1] Taiwan's social and economic systems will not change after reunification, nor will its lifestyle or its nongovernmental relations with other countries, including foreign investments in Taiwan and nongovernmental exchanges between Taiwan and foreign countries. Taiwan will enjoy a high degree of autonomy as a special administrative region. It will possess legislative and judicial powers, including the power of final adjudication. It may have its own army and manage its own political party, government and military systems. The central government will not station troops or administrative personnel in Taiwan, but will grant the island a quota in the central government.

For more than a decade, under the guidance of the basic principle of "peaceful reunification and one country, two systems" and through the common efforts of our compatriots on both sides of the Straits as well as our compatriots in Hong Kong and Macao and overseas Chinese, bidirectional cross-Straits visits and scientific, technological, cultural, academic and athletic exchanges have expanded vigorously. The economies on both sides of the Straits are beginning to promote, complement and benefit each other. The early implementation of direct mail, transport, and trade cross-Straits links is not only the fervent hope of our Taiwan compatriots, especially Taiwan industrialists and businesspeople, but also necessary for Taiwan's future economic development. Negotiations on specific issues

between the two sides have already progressed, and the Wang-Koo talks[2] represent an important, historic step forward in cross-Straits relations.

However, all Chinese should remain alert to the facts that secessionist tendencies have increased and that Taiwan independence activities have become increasingly rampant on the island in recent years. Some foreign forces have further increased their meddling in the Taiwan question, interfering in China's internal affairs. These activities not only obstruct the peaceful reunification of China, but also threaten peace, stability and development in the Asia-Pacific region.

At present, the international situation is still complex and volatile, but in general is moving toward a relaxation of tensions. Countries throughout the world are formulating economic strategies for the future and giving priority to increasing their overall national strength so they can assume their proper place in the world in the next century. We are gratified that the economies on both sides of the Straits are developing. China will resume its exercise of sovereignty over Hong Kong and Macao in 1997 and 1999, respectively. These will be happy occasions for Chinese of all ethnic groups, including our Taiwan compatriots. The Chinese nation has weathered many hardships in its history, but now is the time to accomplish the reunification of the motherland and its complete rejuvenation. This is an opportunity for Taiwan and for the whole Chinese nation. Here, I would like to state my views and make some proposals on a number of important questions concerning developing cross-Straits relations and promoting peaceful national reunification at the present stage.

1. Adhering to the one-China principle is the basis and prerequisite for peaceful reunification. We absolutely will not permit Chinese sovereignty and territory to be divided. Any words or deeds fomenting Taiwan independence should be firmly opposed, and any proposals contrary to the one-China principle, such as "split the country and rule separately" and "two Chinas for a certain period of time," should also be firmly opposed.

2. We have no objection to Taiwan's developing nongovernmental economic and cultural relations with other countries. Under the one-China principle and in accordance with the charters of relevant international organizations, Taiwan has already joined international economic bodies such as the Asian Development Bank and the Asia-Pacific Economic Cooperation under the name of Chinese Taipei. However, we oppose any efforts by Taiwan to expand its international living space with the purpose of creating "two Chinas" or "one China, one Taiwan." All patriotic Taiwan compatriots

and all intelligent people will recognize that engaging in this kind of activity will not solve the problem; rather it will make the Taiwan independence forces even more reckless in their efforts to disrupt the process of peaceful reunification. Only after China has been peacefully reunified will our Taiwan compatriots, along with other Chinese of all ethnic groups, genuinely and fully enjoy international respect and admiration for our great motherland.

3. We have consistently advocated cross-Straits negotiations based on peaceful reunification. Representatives of all parties and organizations on both sides of the Straits may participate in such negotiations. I stated in my report at the Fourteenth National Congress of the CPC in October 1992, "Assuming the premise that there is only one China, we are prepared to talk with the Taiwan authorities about any matter, including what form official negotiations should take, in order to find an accommodation that is acceptable to both sides." When we say, "Assuming the premise that there is only one China, we are prepared to talk with the Taiwan authorities about any matter," this naturally includes all manner of questions of concern to the Taiwan authorities. We have proposed time and again that the two sides conduct negotiations to formally end the state of hostilities across the Straits and gradually accomplish peaceful reunification. On this occasion, I again solemnly propose conducting such negotiations. Moreover, I propose that as a first step the two sides negotiate the formal end of the state of hostilities on the basis of the one-China principle and reach accord on this matter. This will provide a basis for us to apportion responsibility for safeguarding China's sovereignty and territorial integrity and work together to draw up a plan for the future development of cross-Straits relations. With regard to the name, location and form of political negotiations, if only we hold discussions on them on an equal footing at an early date, we can arrive at a solution acceptable to both sides.

4. We should make every effort to achieve peaceful reunification; Chinese people should not fight each other. In not promising to renounce the use of force, we are in no way targeting our Taiwan compatriots, but rather foreign forces conspiring to interfere in China's peaceful reunification and bring about Taiwan independence. We have complete faith that our compatriots in Taiwan, Hong Kong and Macao and overseas Chinese understand our principled position.

5. In the face of world economic development in the 21st century, great efforts should be made to expand cross-Straits economic exchanges and cooperation. This will be beneficial to the common economic prosperity of

both sides of the Straits and the wellbeing of the Chinese nation as a whole. We hold that political differences should not influence or interfere with cross-Straits economic cooperation. We will continue well into the future to carry out our policy of encouraging Taiwan investment and to implement the Law of the People's Republic of China Protecting the Investments of Taiwan Compatriots. No matter what happens, we will effectively safeguard the legitimate rights and interests of Taiwan businesspeople. We will continue to strengthen contacts and exchanges between our compatriots on both sides of the Straits to increase mutual understanding and trust. The three direct links across the Straits are an objective necessity for the economic development of both sides and all types of contacts, and serve the interests of our compatriots on both sides of the Straits. We should definitely take practical steps to accelerate the implementation of the three direct links. We need to intensify consultations on specific issues between the two sides. We are in favor of discussing and signing a mutually beneficial nongovernmental agreement protecting the rights and interests of Taiwan investors.

6. The splendid culture created by the sons and daughters of all China's ethnic groups over the past 5,000 years is a lasting spiritual bond linking all Chinese people, as well as an important basis for peaceful reunification. Our compatriots on both sides of the Straits should draw upon and carry forward China's fine cultural traditions.

7. The 21 million Taiwan compatriots are all Chinese, united with us by familial ties no matter whether they are native to Taiwan or originate from other provinces. We should fully respect the lifestyle of our Taiwan compatriots and their wish to be masters of our country, and protect all their legitimate rights and interests. All relevant departments of the Party and the government, including offices located abroad, should strengthen their relations with our Taiwan compatriots, listen to their opinions and requests, be concerned for and protect their interests, and do everything possible to assist in resolving any difficulties they may have. We hope the island of Taiwan will enjoy social stability, economic development and prosperity. We also hope that all of Taiwan's political parties promote the development of cross-Straits relations in a sensible, farsighted and constructive manner. We welcome all political parties and individuals from all sectors of Taiwan society to exchange views with us on cross-Straits relations and peaceful reunification, and would welcome their visiting here. History will indelibly record the contributions all individuals of whatever background make to the reunification of China.

8. We welcome the leader of the Taiwan authorities to visit the mainland in an appropriate capacity. We are also willing to visit Taiwan at their invitation. We can discuss state affairs, or first exchange views on a number of issues, or simply visit with one another, which will also be of benefit. We can handle all matters concerning the Chinese people ourselves; we do not need any international assistance. The Taiwan Straits are very narrow, and as we gaze at each other across them, we wish to be able to travel back and forth. We cannot remain forever estranged.

Our compatriots in Hong Kong and Macao and overseas Chinese have worked hard and made invaluable contributions to promoting cross-Straits relations, the reunification of the motherland and the rejuvenation of the Chinese nation. We hope that they will continue to contribute to achieving these goals.

Achieving national reunification at an early date is the common aspiration of the Chinese people of all ethnic groups. No patriotic Chinese want to see reunification postponed indefinitely. Dr. Sun Yat-sen, the great revolutionary forerunner of the Chinese nation, once said, "Unification is the hope of all Chinese people. If China can be unified, all Chinese will enjoy a happy life; if it cannot, they will suffer."[3] We call on all Chinese people to unite, hold high the great banner of patriotism, uphold reunification, oppose secession, make a great effort to develop cross-Straits relations, and promote the reunification of the motherland. The glorious day when reunification is accomplished will surely arrive in the modern progress of the Chinese nation.

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[1] "An Idea for the Peaceful Reunification of the Chinese Mainland and Taiwan," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 40.

[2] The Wang-Koo talks were held between Wang Daohan, Chairman of the mainland-based Association for Relations Across the Taiwan Straits, and Koo Chen-fu, Chairman of the Taiwan-based Straits Exchange Foundation, in Singapore on April 27-29, 1993. This was the first ever meeting of the heads of these nongovernmental bodies authorized by their respective authorities and the first public high-level talks between the two sides in more than 40 years. This meeting marked a historic step in the development of cross-Straits relations. Wang and Koo exchanged views on economic, scientific, technological, and cultural exchanges and cooperation across the Straits, routine business of their respective organizations and other matters. They formally signed four agreements, including the Joint Agreement of the Wang-Koo Talks, which created a positive atmosphere for visits by individuals and for economic, scientific, technological and cultural exchanges across the Straits, and gave an impetus to the cross-Straits negotiating process.

[3] "A Talk with Japanese Reporters in Kobe," *The Complete Works of Sun Yat-sen*, Chin. ed., Zhonghua Book Company, Beijing, 1986, Vol. XI., p. 373.

IMPLEMENT THE STRATEGY OF REINVIGORATING CHINA THROUGH SCIENCE AND EDUCATION*

May 26, 1995

The national conference on science held by the Central Committee in 1978 had far-reaching historical significance by restoring order and defining a correct guiding ideology for work in science and technology, and calling for a resurgence in science and technology. At the conference, Comrade Deng Xiaoping propounded his famous theses that science and technology are a productive force, that intellectuals are part of the working class, and that the key to the four modernizations is the modernization of science and technology. Later, he added, "[S]cience and technology are a primary productive force."[1] In 1985, the Central Committee issued the Decision on the Reform of the System for Managing Science and Technology, which initiated a comprehensive reform of this system. More than a decade of successful reform and development efforts have brought about historic changes in scientific and technological work in China. Our scientific and technological capacity and level have risen dramatically, and the strategic focus of work has shifted toward economic development; this has resulted in outstanding contributions to economic development and social progress. On behalf of the Central Committee and the State Council, I would like to salute the country's scientists and engineers!

The Central Committee and the State Council recently adopted the Decision to Accelerate Progress in Science and Technology. The decision was based on a scientific analysis of trends in economic development, advances in science and technology, and the domestic and international situations, plus the collective wisdom of regions, departments and many persons both in and out of the Party. This is another major strategic policy decision designed to ensure we attain the objectives of the three-step strategic plan for modernizing China. The main purpose for convening this conference is to mobilize the entire Party membership and the people of all our ethnic groups to fully apply Comrade Deng's thesis that science and technology constitute a primary productive force, give full effect to the guiding prin-

* Speech at a national conference on science and technology.

ciples set out in the decision, launch a nationwide campaign to implement the strategy of reinvigorating the country through science and education, further liberate and develop science and technology as a productive force, and vigorously promote economic development through greater reliance on advances in science and technology and improvements in the quality of the workforce.

I. Fully Applying the Thesis That Science and Technology Constitute a Primary Productive Force

Comrade Deng's theory of building socialism with Chinese characteristics stresses that the fundamental task of socialism is to liberate and develop the productive forces. From this perspective, Comrade Deng articulated his brilliant thesis that science and technology constitute a primary productive force on the basis of a scientific understanding of the laws governing the development of contemporary productive forces and his accurate grasp of the tenor of the times. He developed a comprehensive, scientific exposition on science and technology, including their social function, their position and role, the direction of their development, their basic tasks, their strategic priorities, institutional reform, opening to the outside world in the areas of science and technology, and training of scientific and technological personnel. This exposition forms the thinking that will guide work in science and technology in China in the new period. It embodies the essence of his thinking on science and technology, and is an important component of the theory of building socialism with Chinese characteristics and a creative development of the Marxist theory of science and technology and the productive forces.

According to Marxism, constantly liberating and developing the productive forces is the fundamental driving force behind the progress of human society. The superiority of the socialist system is ultimately manifested in the fact that the productive forces can develop faster under socialism than under any other system. China's socialist construction started from a very backward economic, scientific and cultural foundation. To quickly catch up with and surpass the level of the development of the productive forces that took economically developed countries hundreds of years to reach, we need to particularly concentrate our resources on vigorously developing and extensively applying advances in science and technology, and make full use of the tremendous role science and tech-

nology play in driving economic and social development as a productive force. This is our historic mission in building China into a strong, modern socialist country and changing the Chinese nation into one of the most advanced in the world.

The superiority of the socialist system should be and can be fully and clearly manifested by accelerating development of science and technology as a productive force. During the difficult pioneering years of the 1950s and 1960s, China established a number of major research institutes, attained the tremendous achievement of creating the basic framework for a relatively comprehensive industrial system, and other brilliant accomplishments, such as developing atomic and hydrogen bombs and artificial satellites, by mobilizing the enthusiasm and creativity of the country's scientists and engineers, as well as the people of the country, and concentrating our limited financial and material resources. In little more than a decade, we completed a course that had taken developed countries decades to complete; this greatly increased China's overall strength and defense capability, and science and technology played a crucial role in this. The great accomplishments China made in economic and social development since the Party shifted the focus of its work at the Third Plenary Session of the Eleventh Central Committee were possible only because of the contributions of science and technology. As long as we steadfastly give high priority to scientific and technological work, we will surely make even more outstanding achievements in accelerating economic development, increasing China's overall strength and raising the people's living standards. We firmly believe that we can readily reach the grand objectives of China's socialist modernization by taking Comrade Deng's theory of building socialism with Chinese characteristics and the Party's basic line as our guide and by combining the tremendous role the superiority of the socialist system and the socialist market economy play in driving development of the productive forces with the power of advances in science and technology.

Both the present international situation and current domestic conditions make fully applying the thesis that science and technology constitute a primary productive force a difficult and urgent strategic task for China's socialist modernization. Peace and development are the main currents in today's world. There is a new surge in the scientific and technological revolution across the world, marking the beginning of a new era in the vigorous development of science, technology and the economy. Many countries

in the world, especially the big powers, are actively revising their scientific and economic strategies in order to increase their overall strength based on economic and scientific strength. International competition is becoming increasingly fierce. Domestically, implementation of the various reform measures to create a socialist market economy is going smoothly; the country has been enjoying sustained, rapid and sound economic development, ethnic solidarity and social stability; and all of the country's undertakings are flourishing. At the same time, we must recognize that there is still a large gap between China's current overall technological level and economic strength and those of developed countries. The problem of basing economic growth mainly on extensive operations has not been fundamentally solved; some deep-seated problems affecting economic growth, such as irrational product mix and industrial structure, have yet to be solved; and we face the daunting tasks of developing agriculture, invigorating large and medium-sized SOEs, and improving economic performance. The population, natural resources, and the ecosystem are making it ever more difficult to sustain economic development. A major strategic issue we need to carefully study and resolve is how to seize opportunities for development and meet difficult challenges to ensure that the objectives for the three-step strategic plan for modernizing China are attained, given the current conditions in the country. The key to accomplishing this strategic task is to genuinely take scientific and technological progress as a powerful force to drive accelerated economic and social development.

The Central Committee and the State Council made the major decision to implement the strategy of reinvigorating China through science and education nationwide based on past experience and the country's current conditions. Socialist modernization is impossible without great scientific and technological strength. Reinvigorating the country through science and education means comprehensively applying the thesis that science and technology constitute a primary productive force, putting education first, giving science and education a high priority in economic and social development, enhancing the country's scientific and technological strength and its ability to translate such strength into actual productive forces, raising the nation's overall level of scientific and cultural sophistication, and promoting greater reliance on advances in science and technology and improvements in the quality of the workforce to drive economic development in order to make the country prosperous and strong more quickly. This is the right choice to ensure we attain the objectives for the three-step strategic

plan for modernizing China. Implementing the strategy of reinvigorating the country through science and education is sure to greatly raise the quality and level of China's economic development and further liberate and develop the productive forces.

II. Important Issues That Must Be Handled Well to Accelerate Progress in Science and Technology

Scientific and technological work is an important component of the great cause of building socialism with Chinese characteristics. We must fully consider China's conditions and draw upon successful foreign practices in order to lay out a path with Chinese characteristics for progress in science and technology. After looking at current world trends in economic and scientific development and the requirements for China's modernization, plus the practical experience we gained in making scientific and technological progress since the introduction of the reform and opening up policy, we need further clarity on several major issues affecting the overall progress of our work in this area.

The first issue is how to integrate science and technology with the economy. The Central Committee and the State Council have further clarified the basic principle for China's scientific and technological work, which is to adhere to the thesis that science and technology constitute a primary productive force, depend on advances in science and technology in economic development, ensure scientific and technological work meets the needs of economic development, and strive to scale the heights of science and technology. The core of this principle is the close integration of scientific and technological work with the economy. Adhering to this basic principle of promoting the integration of science and technology with the economy conforms with the Party's basic line and also with trends in scientific and technological progress and economic development in today's world.

We must steadfastly depend on advances in science and technology in order to ensure vigorous and sustained economic development, which in turn is necessary to provide a solid material base for advances in science and technology. The establishment of the socialist market economy provides excellent mechanisms and a vast arena for economic development to rely on advances in science and technology. In this scenario, we must more purposefully orient scientific and technological work to the needs of eco-

nomic development and target promoting economic development as the central task and prime objective.

We need to correctly balance our efforts to stay focused on economic development and our efforts to raise the country's scientific and technological level. A focus on economic development is the orientation, while raising the country's scientific and technological level and scaling the heights of science and technology are the requirements. Relying on advances in science and technology to promote economic development requires us to constantly raise the country's scientific and technological level. We must always hold to the general orientation of focusing on economic development, proceed from the actual state of China's economic development, and do scientific and technological work at the highest and most advanced level possible, just as Comrade Deng called upon us to do.

How to organically integrate science and technology with the economy is a fundamental issue facing economic restructuring and the reform of the system for managing science and technology that we need to work hard to solve. This integration should occur in all aspects of scientific and economic activities. We need to strengthen integration in a number of areas, including setting goals and tasks, formulating programs and plans, and implementing policies and measures, and consider all factors while concentrating on our priorities. Economic development needs to be based on scientific and technological progress as its main driving force, and scientific and technological development needs to focus on satisfying the goals of economic development and providing strong support and guarantees for it. We need to deepen economic restructuring and the reform of the system for managing science and technology and make full use of the important role market forces play in integrating science and technology with the economy, while the government exercises macro-control. As Comrade Deng remarked, "The new economic structure should promote technological progress, and the new science and technology management system should promote economic development."[2] Deepening these reforms will establish a mechanism for integrating research institutes and institutions of higher learning with enterprises, and integrating R&D with production, while encouraging research institutes to adopt a market orientation and join large corporate groups. Enterprises need to ensure they organically integrate their scientific research and design work with their production, and raise their level of technological development. Essentially, the integration of science and technology with the economy must depend on institutional

means. We need to make establishing a system of technological innovation an important objective in creating a socialist market economy. In particular, we need to make establishing sound technological innovation systems in enterprises an important component of a modern corporate structure and a key link in efforts to invigorate large and medium-sized SOEs. We need to institute a new system for managing science and technology that is in line with the socialist market economy and the laws governing progress in science and technology.

The second issue is how to integrate short- and long-term objectives. China's economy is still underdeveloped, its technological and economic level is not high, and its development is unbalanced. Science and technology are a key factor driving economic and social development, and they must first of all contribute to the resolution of sensitive, difficult and key problems in economic and social development. At the same time, scientific and technological progress should outpace economic and social development in order to ensure sustained economic and social development, and R&D should aim to stimulate future economic and social development. We therefore need to make good plans for scientific and technological development by rooting ourselves in the present while keeping our eyes fixed on the future, and integrating our short- and long-term objectives, all the while taking global trends in economic and scientific progress and China's conditions into consideration.

Scientific and technological work must always be primarily oriented toward economic development, and the main task of this work should be tackling crucial problems in economic development requiring urgent solutions. We now need to adopt effective measures to greatly intensify work in agricultural science and technology, give this work high priority in general plans for scientific and technological work, make greater efforts to translate advances in science and technology into practical applications, and vigorously disseminate advanced and appropriate technologies, including high technology, in order to provide agriculture with the technological tools it needs to reach a new level. We need to speed up the technological upgrading of traditional industries, increase the technological content and market competitiveness of their products, guide industrial growth in the direction of higher quality and better performance, and optimize the industrial structure. We need to pay particular attention to equipping basic industries and key industries with modern technology, and accelerate efforts to make the regulation of the economy and society more computerized, automated and

intelligent. We need to give high priority to finding solutions to scientific and technological problems in social development such as those relating to environmental protection, rational exploitation of resources, disaster prevention and reduction, population control and the people's health, to help improve the ecosystem and people's lives and health and to promote sustained and balanced economic and social development.

Basic and high-tech research will provide the force driving China's modernization in the 21st century. We must use foresight in planning for the future by strengthening basic research and high-tech R&D on major problems that may affect the country's economic and social development in the next century. Stimulating future economic development and accumulating advances in science and technology need to be the main tasks of basic research. We will only be able to accomplish great things by setting limited targets, concentrating on priorities and identifying those areas to catch up in and those areas to ignore. We need to make a scientific evaluation to select a number of research topics having good foundations and advantages that can be supported by the country's financial resources, are able to reach advanced world levels, and can play a major role in boosting economic and social development once they are tackled. We then need to organize special teams around the country, concentrate our resources and make great focused, concerted efforts to tackle these topics. The development of high technology and high-tech industries is crucial to increasing China's economic and overall strength and labor productivity. We must work hard to develop high technology and industries that utilize it. We must give high priority to developing high-tech industries in China and quickly establish a number of large high-tech industries that will be of vital importance to the country's economic development, so that China can become a world player in the field of high technology and high-tech industries.

The third issue is how to integrate independent R&D work with the introduction of advanced foreign technology. Opening China wider to the outside world, increasing scientific and technological exchanges and cooperation with other countries, and making extensive use of advanced foreign technology in China are effective means to speed up the country's technological upgrading and economic development. We must adhere to this basic policy for a long time to come.

Technology transfer and protection of intellectual property rights have become important issues in today's international economic and technological cooperation. China is still relatively technologically backward, and we

should therefore strive to learn from and draw on the strengths of foreign countries. Even though we are implementing modernization, we must continue to learn from other countries to offset our weaknesses. Only by continuing exchanges and cooperation with other countries can we accelerate and enhance the country's scientific and technological progress. At the same time, we must be clearly aware that some of the most advanced foreign technologies cannot be bought at any price. In the contemporary world, new advances in science and technology occur every day, and new technology is replacing old at an ever-faster rate. Today's advanced technology can become obsolete very quickly. Innovation is the soul of a nation's progress and provides an inexhaustible force for driving a country's prosperity. We will never be able to solve the problem of our country's technological backwardness if we fail to improve our capacity for independent innovation and rely solely on foreign technology. A nation without the ability to innovate can hardly join the ranks of the world's advanced nations. As a large independent socialist country, China must take its scientific and technological destiny into its own hands. China already has a certain capacity and foundation for making advances in science and technology, as well as a considerable capacity for independent innovation. In addition to studying and importing advanced foreign technology, we must constantly work to improve the country's capacity to do independent R&D work.

We need to make an overall plan that organically integrates the importation of advanced foreign technology with independent domestic R&D work. We must avoid blind and redundant importation of foreign technology. We should rely mainly on domestic development efforts for technologies we can develop independently. In particular, before deciding to import an expensive major technology project, we need to conduct a meticulous scientific assessment and examination of the project and listen carefully to the opinions of scientists and engineers. We need to pay close attention to importing key technologies and learning from new principles, methods and experiences in the development and management of our advanced technology. We need to constantly improve our R&D capability and capacity for innovation, in order to turn China into one of the most technologically advanced countries in the world. We must work very hard toward this strategic target.

The fourth issue is how to integrate market forces with macro-control. Progress in modern science and technology is closely tied to economic development, but scientific and technological progress does not necessarily

translate into economic development, and each is subject to its own laws. In a socialist market economy, market forces and macro-control are both indispensable for making advances in science and technology. For a large developing country like ours, correctly using these two tools and organically integrating them is of vital importance for accelerating scientific and technological progress and economic development. The principle of providing steady support to the scientific and technological work for which the government is responsible while liberalizing the scientific and technological work that depends on the market for the allocation of resources adopted by the Central Committee to reform the system for managing science and technology reflects the inherent laws governing integration of these two tools.

Activities closely tied to economic development, such as technological development and the dissemination of research results, must be governed mainly by market forces. We need to gradually shift the main responsibility for developing technologies and applying technological advances to enterprises. Under the currently imperfect market conditions, the commercialization and industrialization of advances in science and technology still require various types of government policy support. We must rely mainly on government financing to support a small number of key research institutes and university research departments so they can conduct basic research, applied research, high-tech research, public-interest research, and research on major scientific and technological problems that affect the overall and long-term interests of the country. We cannot neglect the government's role in directing work in science and technology just because we are establishing a socialist market economy. Many research projects suffer from the problem of being small, yet all-inclusive, a problem we need to effectively solve. We need to fully exploit the ability of the socialist system to concentrate resources to accomplish large undertakings, concentrate financial and material resources through overall guidance, and organize a superior force in a concerted effort to tackle major scientific and technological issues crucial for developing the national economy and increasing the country's overall strength and productivity. The eastern region needs to continue to rely on advances in science and technology to raise its overall level of technology, while adopting effective measures to support the efforts of the central and western regions to accelerate scientific and technological progress and stimulate their development.

In accordance with the principle of providing steady support to the scientific and technological work for which the government is responsible

while liberalizing the scientific and technological work that depends on the market for the allocation of resources, we need to actively yet prudently adjust the composition of the scientific and technological workforce and do the work of channeling people into proper career paths well. Otherwise we will not be able to make the best use of our current personnel, and this will be detrimental to integrating science and technology with the economy and to keeping basic research work stable. We must resolutely work to solve problems such as redundant research institutes, personnel spread too thin over too many projects, and a disconnect between technological progress and economic development. Plans for scientific and technological work formulated by governments at all levels and the way they are implemented also need reform. We need to introduce market and competition mechanisms and practice scientific management. Before endorsing any major project, we need to assess market demand, solicit opinions from a wide range of scientists and experts, and conduct scientific evaluations.

The fifth issue is how to integrate the natural sciences with the social sciences. Science of course includes the social sciences. The natural sciences describe how human beings understand and transform nature, and the social sciences explain how they understand and transform societies and promote social progress.

With the rise of modern science and technology, the natural sciences, technology and the social sciences have come to influence and permeate one another and become ever more interconnected, thus generating a succession of integrated and interconnected disciplines, and transformed society, the economy and technology into a large and complex system. The development of the natural sciences has enriched social scientific theory. A scientific Marxist worldview and methodology play an important guiding role in research in the natural sciences. We encourage social scientists to study natural science and natural scientists to study social science, Marxist theory, and especially Comrade Deng's theory of building socialism with Chinese characteristics. In working for the great cause of the socialist modernization of China, we need to integrate the natural and social sciences more closely, fully understand and grasp the inherent laws governing today's economic and social development, and apply scientific theories and methods to guide our work.

III. Training Large Numbers of Scientists and Engineers Who Have Both Moral Integrity and Professional Competence

Scientists and engineers are important pioneers of new productive forces, important disseminators of scientific and technological knowledge, and a main force of socialist modernization. Human resources are the key to implementing the strategy of reinvigorating the country through science and education. Our production and social services are becoming increasingly automated, computerized and intelligent. A great deal of strenuous, repetitive manual labor is now being done by various kinds of automated machinery and computers, and this situation places ever-higher demands on workers' knowledge and skill levels. In order to successfully carry out China's socialist modernization, we urgently need to greatly increase the proportion of scientists and engineers in our workforce and improve their overall quality. Drastically increasing the proportion of scientists and engineers in China's workforce and raising their overall quality are very important for our country's socialist modernization.

Our country now has 18 million scientists and engineers. For more than four decades, they have endured bitter struggles, striven tenaciously, contributed selflessly and made brilliant achievements in socialist construction under the leadership of the CPC. Our motherland and people thank them. At the same time, we must recognize that both the quantity and overall quality of our country's scientists and engineers are unequal to the demands of socialist modernization. Accelerating the training of high-caliber scientific and technological personnel is thus an urgent strategic task. We need to make full use of our current scientists and engineers, create a social environment in which they can all tap their full potential and put their talents to best use, constantly improve their working and living conditions, and fully arouse their enthusiasm and creativity. We need to conscientiously implement the Program for Reforming and Developing Education in China and strive to develop education. In order to keep abreast of world trends in science and technology and satisfy the requirements of China's modernization, we need to deepen reform of the education management system, train tens of millions of young scientists and engineers, and build a large contingent of scientists and engineers over the new century. Research institutes should view human resource training as a task that is just as important as their R&D work. We need to focus on fostering young leaders in the fields of academia and technology over the next century, strive to

create an environment and conditions in which outstanding young scientists and engineers can excel, particularly those at the top of their field, place them in key positions and assign them important tasks so they may undergo healthy growth through practice. Senior scientists and engineers have dedicated their hearts and lives to the development of the country's scientific and technological programs and to the training of personnel, and their great contributions will benefit future generations. Henceforth, we need to take continuing to make overall progress in science and technology as our starting point, promote the deserving, assign outstanding young scientists and engineers to important positions, and support their bold work and trail-blazing ventures.

We need to actively create conditions to make overseas Chinese scientists and engineers feel welcome to return home to work or to serve the motherland's modernization in other ways. We need to not only make a great effort to train all types of scientific and technical personnel, but also pay particular attention to training all types of experts in modern management. We need to emphasize selecting workers, farmers and others to train for scientific and technological work and all kinds of skilled and technical work. All sectors of society should strive to build a large contingent of scientific and technological personnel for the Chinese nation to carry out a new scientific and technological revolution and China's socialist modernization!

We need to pay close attention to fostering moral integrity as well as professional ability in training scientists and engineers. They shoulder the great historic mission of reinvigorating the country through science and education. They need to contribute all their energy to promoting socialist material, cultural and ethical progress. They need to adhere to the Party's basic line and promote a spirit of patriotism, a spirit of realism and innovation, a spirit of diligence and dedication, and a spirit of unity and cooperation. These four kinds of spirit are a crystallization of the remarkable character of generations of Chinese scientists and engineers, as well as an important guarantee for the success of our scientific and technological endeavors. They should play an important role in efforts to promote cultural and ethical progress in the scientific community.

Patriotism is a radiant banner and a splendid tradition among Chinese intellectuals. It has animated the struggle of generations of scientists and engineers to make the motherland prosperous and strong and improve the people's wellbeing. Patriotism clearly changes with the times. Today

when we Chinese talk about patriotism, this means loving our socialist motherland, upholding the leadership of the CPC, and merging our own ideals and career into the great cause of the socialist modernization of the motherland. Realism is fundamental to science, and innovation is the lifeblood of progress in science and technology. There is no room for sham or falsehood in scientific research. Researchers must have a truth-seeking attitude, respect objective laws, seek to discover truth and blaze new trails. Diligence and dedication are moral traits all scientists and engineers must possess. Scientific and technological work is a difficult and creative type of labor. Scientists and engineers must set their sights high, work hard with an indomitable spirit, relentlessly explore, and bravely scale new heights of science and technology. They bear the glorious responsibility of applying their knowledge for the people's wellbeing. Unity and cooperation are an inherent requirement for research in science and technology in this age of modern socialized production. In scientific and technological work, we should both academically encourage a hundred flowers to bloom and a hundred schools of thought to contend, and also promote mutual respect, unity, cooperation, drawing upon others' strengths, and teamwork in tackling difficult problems.

In addition to improving training for scientists and engineers, we must also strongly focus on raising the scientific and cultural levels of the general public. Poverty is not socialism, and ignorance is even less so. We need to conscientiously implement the Guidelines of the CPC Central Committee and the State Council on Strengthening Efforts to Disseminate Science and Technology and increase people's knowledge of it. We need to continue to do well in providing compulsory education and various types of vocational education. We need to promote socialist cultural and ethical progress via the news media and by other effective means and use science to conquer feudal superstition, ignorance and backwardness. We need to make respect for knowledge and talent a standard practice throughout society and start a new trend in society of studying and applying science and technology.

IV. Strengthening the Party's Leadership over Scientific and Technological Work

The leadership of the Party provides a political guarantee for successfully implementing the strategy of reinvigorating the country through science and education. The key to progress in science and technology lies

in Party committees and governments at all levels. They need to conscientiously implement the Decision of the CPC Central Committee and the State Council on Accelerating Progress in Science and Technology, make promoting progress in science and technology a major, high-priority task, and formulate genuinely practicable measures based on conditions in their regions and departments. The central leadership requires the heads of all Party committees and governments to personally take charge of the development of the primary productive force. We need to always give progress in science and technology high priority in economic and social development and increase spending on science and education through a variety of channels. In formulating and implementing plans for national economic and social development and related policies, we need to truly translate into practice the strategy of reinvigorating the country through science and education. Departments at all levels responsible for scientific and technological work should conduct their internal reform well in order to further transform their functions, improve their guidance and coordination of this work, and constantly promote scientific and technological progress in China.

Leading cadres at all levels urgently need to improve their theoretical levels, knowledge and leadership ability to ensure smooth progress in our country's reform, opening up and socialist modernization. They need to conscientiously study Marxism-Leninism, Mao Zedong Thought and Comrade Deng's theory of building socialism with Chinese characteristics. All types of new developments and problems will emerge as reform, opening up and modernization efforts deepen. For this reason, it is all the more necessary for leading cadres to correctly apply the theory of building socialism with Chinese characteristics as a guide to their work. In addition, they should learn more about modern science and technology, the socialist market economy and the law. Only by constantly renewing and increasing their knowledge can they continue to broaden their horizons. In addition to book learning, it is even more important for them to learn from experience. Since it is impossible for leading cadres to fully understand everything relating to modern science and technology, they should humbly and frequently seek instruction from scientists and experts. They should solicit a wide range of comments and suggestions from experts and conscientiously conduct scientific assessments prior to taking major policy decisions. Leading cadres need to make decision making more scientific and democratic as an important part of efforts to implement democratic centralism.

Leading cadres at all levels need to have great foresight, always consider

the overall situation and have a good grasp of the tenor of the times. Here I would like to stress the need to diligently study Marxist dialectical materialism and historical materialism and to foster a scientific worldview. Without a scientific worldview, our policy decisions and our cause would lose their solid philosophical foundation. The essence of scientific thinking, a scientific attitude and a scientific approach is the emancipation of one's mind and the seeking of truth from facts. Comrade Deng set a glorious example for us by consummately applying scientific thinking and a scientific approach and constantly emancipating his mind and seeking truth from facts. We need to take him as our model, adhere to the ideological line of emancipating our minds and seeking truth from facts, be bold in breaking new ground while respecting scientific laws and building on the theories and experiences of those who came before us, and continue to recognize and develop truth in practice.

We will be entering the 21st century in five years. China's modernization, for which generations of martyrs and stalwarts have toiled, will be realized in the new century. The Central Committee and the State Council call on the whole Party and all the country's people to fully apply Comrade Deng's thesis that science and technology constitute a primary productive force, devote their energies to the great cause of implementing the strategy of reinvigorating the country through science and education, accelerate the advancement of science and technology throughout society, and strive to achieve objectives for the second and third steps of China's strategic plan for modernization.

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[1] "Science and Technology Constitute a Primary Productive Force," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 269.

[2] "The Reform of the System for Managing Science and Technology Is Designed to Liberate the Productive Forces," *ibid.* p. 114.

REFORM STATE-OWNED ENTERPRISES THE CHINESE WAY*

June 26, 1995

In May, I went to Shanghai, Jiangsu and Zhejiang and in June to Liaoning, Jilin and Heilongjiang, where I toured nearly 50 enterprises and held more than ten forums and meetings. My main purpose was to listen to suggestions by provincial, municipal and enterprise leaders and discuss how to further promote reform and development of enterprises, especially large and medium-sized SOEs.

The Central Committee and State Council have made SOE reform the focus of economic restructuring this year. All provinces, autonomous regions and municipalities directly under the central government are staying grounded in reality and conscientiously implementing this important policy decision of the Central Committee and State Council, and this is advancing enterprise reform. Many enterprises have deepened reform, transformed the way they operate, strengthened internal management and further stimulated the enthusiasm of all their employees, thus enhancing their vitality and market competitiveness. A number of large enterprise groups are in the process of being formed and are beginning to show their strength. In brief, enterprise reform and development are progressing well. Based on my understanding of the situation acquired during these inspection tours, we now need to focus on the following points in order to effectively reform enterprises, especially large and medium-sized SOEs.

I. Further Strengthen Our Resolve and Confidence to Run SOEs Well

Many years of experience in reform and development teach us that there are two major things we must always do well: strengthen the position of agriculture as the foundation of the national economy and run large and medium-sized SOEs well. These are our two focal points. Agriculture is the foundation of our economic and social development. It is of vital

* Excerpt from the speech "Increase Confidence, Clarify the Tasks and Energetically Carry SOE Reform Forward," given at a forum on enterprises in Changchun. When it published this speech, the *People's Daily* incorporated material from Comrade Jiang Zemin's speech at a forum on enterprises he presided over in Shanghai on May 22, 1995.

importance in determining whether our population of more than a billion has enough to eat, and we must solve this problem by ourselves. Large and medium-sized SOEs form the backbone of our national economy. Whether they are run well is a very important determinant of whether our economic power increases, the people's standard of living rises, society remains stable and socialism with Chinese characteristics advances. The goal of our economic restructuring is to create a socialist market economy, not to institute a capitalist market economy. The key to this is to get the state sector of the national economy and the whole public sector of the economy to constantly develop and become more competitive, always maintain the public sector's dominant position in the economy, and fully exploit the guiding role of the state sector. If the public sector loses its dominant position and the state sector loses its guiding role, it will be impossible to build socialism with Chinese characteristics. Therefore, operating SOEs well, especially large and medium-sized ones, is a major economic issue affecting the development of the whole national economy and a major political issue affecting the fate of our socialist system.

We also must bear in mind that the world is now undergoing profound changes. Economic factors are becoming increasingly important in international relations, and competition in overall national strength, with economic, scientific and technological strength at the core, is increasingly becoming the decisive factor in determining a country's international standing. The key to holding a favorable position in fierce international competition is to raise our scientific and technological level and increase our economic strength. This depends largely on developing and strengthening the public sector, especially large and medium-sized SOEs. We must strengthen our resolve to operate SOEs well; that is to say, in the process of building a socialist market economy, we must strengthen the state sector and the whole public sector and operate them well, and we must not let them become weak. We must ensure that they acquire new strengths and do not lose those they already have. We firmly resolve to do this and not waver in the slightest. We must make the most of the crucial period of the last five years of this century to constantly explore ways to better run SOEs.

Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the Party's basic line, the Party has systematically reviewed its practical experience in reform, opening up and economic development over the past ten plus years at its Fourteenth National Congress and set establishing a socialist market economy as the

goal of reform. The Third Plenary Session of the Fourteenth Central Committee further clarified that the orientation of SOE reform is to create a modern corporate structure. Last year, the Central Committee and State Council adopted a series of policies and measures, including several important measures to improve the macroeconomic management system[1] that have been successfully introduced, and this has generated the conditions for deepening SOE reform. After more than ten years of reform, SOEs in general have undergone considerable changes, the vitality of enterprises has increased, a number of large and medium-sized SOEs have emerged that are well operated and have a good reputation in both domestic and foreign markets, and excellent SOE administrators and managers have been trained. At the same time, some experience in operating large and medium-sized SOEs has been accumulated. In short, we have all the conditions we need to run SOEs well, and we are fully confident that we can.

Of course, some SOEs currently face many difficulties and problems competing in the market. There are many reasons for this and the situation is rather complex. However, one point is certain: the reason some SOEs lack vitality is not attributable to the system of ownership, but to their mechanisms, external environment and longstanding problems. These problems can certainly be solved gradually by deepening reform.

All Party members, especially responsible leaders at all levels, must completely and correctly analyze the present situation SOEs are in and clearly recognize the importance and urgency of operating large and medium-sized SOEs well. We need to fully acknowledge the strengths of SOEs and the successes we have had in SOE reform and be fully confident we can run SOEs well, but we also need to squarely face up to the difficulties and problems they have, clearly recognize the enormity and protractedness of SOE reform, and then effectively and tirelessly put great effort into resolving these difficulties and problems. In this way, we can energetically yet prudently guide and carry forward enterprise reform, and complete the great task of SOE reform that history has entrusted to us.

II. Completely and Correctly Understand the Basic Features of the Modern Corporate Structure

The Decision on Certain Questions Concerning Establishing a Socialist Market Economy, passed at the Third Plenary Session of the Fourteenth Central Committee, states, “Establishing a modern corporate

structure is a necessary requirement for developing socialized mass production and a market economy, as well as the orientation our SOE reform is taking." In addition, the decision characterizes the basic features of the modern corporate structure as having "clearly established ownership, well-defined power and responsibility, separation of government administration and enterprise management, and scientific management." These four conditions are interrelated and together constitute a unified whole. None may be omitted, nor may any be emphasized at the neglect of others. They must be completely and correctly understood and implemented. The creation of a modern corporate structure is the product of a review of our experience in and a theoretical development of more than ten years of economic restructuring, especially enterprise reform. We must adhere to this reform orientation and conscientiously organize the work of carrying out pilot projects.

Recent experience indicates that everyone has gradually deepened their understanding of the modern corporate structure and the importance of instituting it. When we had a planned economy in the past, SOEs' production and operations were primarily arranged on the basis of administrative directives and planning by the government. SOEs had no operational authority of their own and were not responsible for their profits and losses. All of them received equal treatment from the state and treated all their workers alike regardless of performance. As a result, they lacked vitality, and the overall performance of the state sector suffered. We are creating a modern corporate structure to solve this problem once and for all and to get SOEs to transform the way they operate; become legal persons and market players; and assume responsibility for their own operations, profits, losses, development and self-restraint.

Creating a modern corporate structure is a great experiment in enterprise reform for which we lack experience, so we must select a number of enterprises in which to conduct pilot programs. The State Council has identified 100 enterprises to participate in these trials, and all local governments have also chosen a number of enterprises, with the goal of getting these enterprises to carry out reforms before others do and make breakthroughs in important and difficult areas of reform, in order to provide experience and methods for deepening enterprise reform. During this exploratory process, it will be natural for differing opinions to arise. What's most important is to experiment boldly and energetically, promptly learn from experience when problems arise, and constantly deepen reform.

Circumstances vary widely from SOE to SOE, so all SOEs must proceed based on their actual circumstances. We need to implement SOE reform perseveringly and cannot try to get all SOEs to do the same thing in the same way. Different regions and enterprises may set their own priorities for reform. According to our latest survey of the situation, all localities have already conducted the planning and arrangements for SOE reform on the basis of their actual circumstances, and are implementing gradual trials. At the same time that we organize the trial implementation of a modern corporate structure, we need to do a good job of the day-to-day enterprise reform work, improve the internal management of enterprises, transform the way they operate, effectively separate government administration from enterprise management, strengthen management and oversight of state assets, improve the social security system, and do all the groundwork to create a modern corporate structure.

III. Develop and Strengthen the Public Sector While Deepening Enterprise Reform

An important principle of building socialism with Chinese characteristics is keeping public ownership in the dominant position while allowing diverse economic sectors to develop side by side. We need to deepen reform and speed up the transformation of the way enterprises operate to make SOEs and collectively-owned enterprises more competitive, maintain the dominant position of the public sector in the national economy, and make full use of the guiding role of the state sector in the national economy. At the same time that we energetically promote the development of the public sector, we need to encourage the development of other economic sectors, including individually-owned, private, and foreign-funded enterprises, as a supplement to the public sector, in order to fully and effectively arouse the enthusiasm of all sectors and stimulate the development of the productive forces. In general, the dominant position of the public sector and the guiding role of the state sector are manifested principally in the dominance of state- and collectively-owned assets in the totality of society's assets, the control the state sector exerts over the country's economic lifeblood, and the role of the state sector in guiding economic development. During our 17 years of reform and opening up, the state sector and sectors under other forms of ownership have burgeoned, but the state sector has always controlled the country's economic lifeblood. In industries that affect the

vital interests of the country and the people, such as electric power, oil, natural gas, petroleum refining, metallurgy, transport, manufacturing of complete sets of large equipment, and chemicals, the state sector occupies a position of absolute dominance. Control over industries affecting the country's economic lifeblood, such as banking, telecommunications, railroads and aviation, is even more firmly in the hands of the state. In 1993, China had 14,200 large and medium-sized industrial SOEs that were independent accounting entities. They comprised 3.2% of the country's total industrial enterprises, but contributed 54% to the state's profits and taxes. In the next several years, the proportion of the state sector in some industries might change somewhat, but if the state sector keeps its dominant position in important and key industries and areas, it will keep its guiding role. Only if we adhere to the principle of keeping public ownership in the dominant position while allowing diverse economic sectors to develop side by side, can we fully stimulate the enthusiasm of all sectors of society to coordinate economic development with progress in all our social programs, bring the principle of utility into play, achieve social fairness and common prosperity, preserve social stability, and successfully build socialism with Chinese characteristics.

IV. Integrate Deepening Enterprise Reform with Strengthening Enterprise Management, Promoting Development and Raising the Quality of Economic Growth

Deepening enterprise reform and strengthening enterprise management reciprocally promote, complement and guarantee each other. In the course of deepening enterprise reform, we must strengthen enterprise management to create conditions conducive to deepening reform and ensure that the results of reform are consolidated and built upon. Strengthening the internal management of enterprises to adapt to the needs of the socialist market economy is inseparable from deepening reform because enterprise management contains a wealth of reform content. Enterprise management reform is an important component of enterprise reform. At the same time that we continue to employ effective management institutions and methods, we need to strive to bestow on enterprise management new content, methods and procedures required by the growth of the socialist market economy, in order to make enterprise management more scientific. Therefore, we must integrate deepening enterprise reform

with strengthening enterprise management, and not treat them as two separate tasks. Reform promotes management and provides conditions for scientific management, but it cannot substitute for concrete management institutions and practices. When management is strengthened, it can facilitate smooth progress in all areas of enterprise reform. We must handle this dialectical unity well. At present, some enterprises lack strict management, have lax discipline, are wasteful, and lack oversight and self-restraint mechanisms. Some enterprises pay attention only to expanding their decision-making power over their operations, but ignore the need to transform the way they operate, improve their internal management and accept state macro-control. Therefore, it is extremely necessary to further strengthen enterprise management in the course of reform. Strengthening enterprise management has great potential for improving enterprise efficiency. We need to strengthen ourselves internally and improve management to get higher-quality products and services, a bigger market share, and better economic returns.

We also need to integrate deepening reform with promoting development and raising the quality of economic growth, use enterprise reform to promote economic development, and raise the quality of economic growth. At present, we need to pay particular attention to four aspects of this work. First, we need to concentrate our efforts on a number of large enterprises. The development of a country's economy, the achievement of industrialization and the improvement of overall economic quality all depend primarily on large enterprises and enterprise groups. A number of large enterprises and enterprise groups can effectively stimulate the healthy growth of a large number of small and medium-sized enterprises and give enterprises in dire condition more room to restructure. At the same time, we need to accelerate reform of small and medium-sized SOEs, transform the way they operate, and create enterprise groups that provide services to large enterprises and engage in specialized production and operations. We need to relax control over ordinary small SOEs, allow some of them to merge, engage in joint production or be leased, and let others become joint stock partnerships or be sold. The State Council is currently selecting a thousand large SOEs to serve as the backbone of economic development. In this way, we can concentrate on supporting a number of outstanding enterprises that directly affect the national economy and the people's livelihood, benefit from economies of scale and stand at the forefront of their industries. This is of great significance in consolidating the

dominant position of the public sector and getting the state sector to fully play its guiding role. Second, we need to promote the reasonable flow of state assets and redirect them to highly profitable areas to more effectively preserve and increase their value. The present mix of low-quality, scattered and redundant enterprises needs restructuring through acquisition and joint production to optimize the allocation of resources and benefit from economies of scale. Third, new enterprises that receive future state investment must engage in production and operations and compete on the market in accordance with the standards of the modern corporate structure from the outset. If we integrate reform with development well, we can put idle state assets to work, make good use of any increases in state assets, get the state sector to fully play its guiding role, and get SOEs to develop new strengths as the socialist market economy develops. Fourth, in the course of deepening enterprise reform, we need to strengthen enterprises' technological development and upgrading, create a mechanism for technological innovation in enterprises, produce higher-grade, higher-quality products, and make enterprises more competitive.

During our inspection tours and forums, representatives of many enterprises stated that deepening SOE reform needs to be integrated with restructuring enterprises, upgrading technology and strengthening enterprise management. This is a good line of thinking, and in the course of implementation, we need to constantly learn from our experience, make progress and persevere.

V. Successfully Carry Out Related Reforms

Deepening SOE reform and creating a modern corporate structure is a complex systems engineering project. At present, enterprises face a number of difficulties and problems, some of which are inherent in the enterprises themselves and others of which are the reflection of deep-seated problems in the national economy. Therefore, we need to both transform the way enterprises operate and also continue to reform the system of macroeconomic management and carry out related reforms, in order to create the conditions for resolving the difficulties and problems enterprises now face.

As a result of my recent inspection tours, investigations and studies, I feel that in order to deepen current enterprise reform and implement pilot projects in the modern corporate structure, we need to focus on solving these problems: first, we need to promptly separate government adminis-

tration from enterprise management; second, we need to strengthen management and oversight of state assets; third, we need to promptly create a social security system; and fourth, we need to relieve enterprises of their excessive burdens.

Separating government administration from enterprise management is an important part of the current effort to deepen enterprise reform. In the 17 years since the beginning of reform and opening up, government agencies have been reorganized several times, but the system of planned economic management has not been completely eliminated. If government functions are not transformed, this will render it difficult to separate government administration from enterprise management, and the government will intervene in enterprise production and operational activities. Enterprises will face the alternative of either becoming subject to government administration or riding the government's coattails without taking any responsibility of their own; either way, they will have a hard time adapting to the needs of a market economy. To separate government administration from enterprise management, we must adapt to the requirements for creating a socialist market economy, actively try to find a reasonable way to supervise and manage state assets in accordance with the principle of separating the government's function of supervising society and the economy from its function as owner of state assets, and standardize government and enterprise activities through institutional means. We need to continue to restructure government institutions and complete the task as soon as possible in accordance with the principles of separating government administration from enterprise management and achieving simplification, uniformity and efficiency. Government departments that supervise the economy need to effectively transform their functions, the number of departments dealing with specific economic issues needs to be gradually decreased, and departments with overall responsibility for the economy need to comprehensively coordinate work. In addition, we need to strengthen government supervision of society to ensure the normal operation of the economy and the maintenance of good social order. Enterprises should make their own business decisions based on market information and under the guidance of the state's macroeconomic policies, and bear sole responsibility for their profits and losses.

The loss of state assets is a significant problem, and the main reason for it is poor supervision, oversight and management. State assets belong to the country. This is clear. However, in practice the problem that nobody

is held responsible for preserving and increasing the value of state assets has never been solved, and the rights and interests of state assets are not safeguarded. Therefore, we must strengthen supervision, oversight and management of them; stop their loss; and preserve and increase their value in accordance with the requirements concerning the ownership and supervision system for state assets set forth in the decision adopted at the Third Plenary Session of the Fourteenth Central Committee.

Enterprise employees can change employers, and enterprises that have long operated in the red and are insolvent can file for bankruptcy. This is a manifestation of strong enterprises thriving and weak ones failing under market economic conditions and an important condition for invigorating SOEs. The government and enterprises need to do everything possible to find new jobs for redundant workers and former employees of bankrupt enterprises by creating new avenues of employment by, for example, establishing tertiary industries, and not just simply shift them onto society. We also need to transform our concept of employment and create a sound labor market and a mechanism to guide the rational flow of personnel. At the same time, we need to accelerate creation of a multilevel social security system, and we especially need to promptly to create a sound system of old-age, unemployment and medical insurance. This is a matter of great importance for deepening enterprise reform, maintaining social stability and smoothly instituting a socialist market economy. Recently, the State Council made arrangements for this work, and all localities need to strengthen leadership, conduct sound pilot programs and conscientiously organize their implementation.

The capital-to-debt ratio in SOEs, especially large and medium-sized ones, is unreasonable, and their debt burden is exceedingly high. This problem has built up over a number of years as a result of a variety of complex factors. In some cases, this is because during their course of development, enterprises did not replenish their capital; in other cases it is because they were under-capitalized or had no capital at all when they were created. If an enterprise's debt-to-asset ratio is unreasonable, this will influence not only its development, but also its fair appraisal. Running an enterprise requires a certain amount of capital. You cannot do business without capital. From now on, whenever a new SOE is established, it must have an appropriate amount of capital; otherwise, it may not start up. Enterprise capital ratios must be reasonably set based on industry category, development level and business requirements. We

cannot evade the problem that many enterprises presently have a capital ratio that is too low and a debt burden that is too heavy. This is an important problem in deepening SOE reform. We need to clearly distinguish the nature of an enterprise's debts and its debt situation and guide enterprises in gradually clearing away their debt problems in accordance with state regulations. The main way to solve this problem is to make enterprises more profitable so they can strengthen themselves and be self-sustaining. They need to look inward for solutions and not expect the state to solve their problems for them. We need to prevent enterprises from repudiating their debts under any guise or writing them off. Of course, governments at all levels must provide appropriate support by, for example, taking reasonable measures to turn loans, which had been budgetary allocations, into state investment. During these inspection tours, I learned that many SOEs have found a variety of ways through practice to amass financial resources, increase their capital, and decrease their debt. For example, Shanghai has adopted a six-pronged approach: diversifying the pools of investors, putting idle assets to work, swapping debt for equity, encouraging acquisitions and bankruptcies, promoting enterprise development and getting the government to provide support. Collectively-owned enterprises in Jiangsu and Zhejiang replenish their capital with funds at their disposal in their course of development, so their debt-to-asset ratio is relatively reasonable and their capability for self-development is comparatively strong. I think these methods are very good, but of course they can still be added to and improved upon. They emphasize creating new mechanisms for increasing enterprise capital and do not simply try to erase their historical debt burdens. If enterprises do not to create mechanisms to increase capital and just simply erase old debts, after a period of time they will have created new debts and their debt-to-asset ratio will remain high.

VI. Wholeheartedly Rely on the Working Class and Strengthen the Leading Bodies of Enterprises While Deepening Enterprise Reform

The very nature of our Party and state and the historical position and role of the working class in China dictate that we rely wholeheartedly on it. The working class is the leading class in our country, the representative of advanced productive forces and relations of production, and the most basic force underpinning the country's development and reform and the

preservation of social stability. In implementing reform, opening up and economic development under the leadership of the Party, we must rely wholeheartedly on the working class, and we cannot waver from this position under any circumstances at any time. We must adhere to this point in deepening SOE reform and creating a modern corporate structure. Practice proves that without the support of the broad masses of workers, enterprise reform cannot succeed. Wholeheartedly relying on the working class means that politically we need to guarantee employees' position as masters of their enterprises, stimulate their enthusiasm and initiative, and increase enterprises' cohesiveness and employee allegiance. It means we need to strengthen democratic supervision, listen to everyone's opinion, provide institutional guarantees that employees can understand and participate in their enterprise's business management, and ensure employees effectively oversee their leaders. It means strengthening the ranks of employees, raising their overall quality, arming them with Comrade Deng's theory of building socialism with Chinese characteristics and a basic knowledge of our socialist market economy, and strengthening their education in patriotism, collectivism and socialism. It also means protecting the lawful rights and interests of employees in accordance with the law, constantly improving the working environment and conditions, and being concerned about the lives and welfare of employees, particularly in certain industries and enterprises currently in difficulties. Party committees and trade unions need to learn to do ideological and political work meticulously, promptly resolve conflicts among employees, strengthen unity, and increase militancy. During the course of enterprise reorganization, we need to substitute acquisition for bankruptcy whenever possible. Enterprises that meet the conditions for bankruptcy and must file bankruptcy may do so in accordance with the law, but acquisition should be used in place of bankruptcy whenever possible. In order to maintain social stability, we need to focus on the work of finding jobs for laid-off workers.

As SOE reform deepens, the position and role of factory directors and enterprise managers will become increasingly important. Numerous examples show that under similar external conditions, the quality and capability of a factory director or enterprise manager have an extremely important bearing on whether an enterprise's reform and development succeed or not. A factory director or enterprise manager who has high political and ideological standards, a pioneering spirit, good decision-making capability and managerial talent can strengthen a weak enterprise, make a small one

grow and turn losses into profits. Therefore, we need to give high priority to training talented people and strengthening enterprise leadership. With a good leading body an enterprise can wholeheartedly rely on the working class, mobilize all possible positive factors, have good mechanisms, produce quality products and become more competitive and successful. Here it needs to be pointed out that after enterprises assume more responsibility for their operations, their leaders need to cherish their power and use it well, and when making important business decisions, they need to voluntarily accept state macro-control, willingly submit to oversight by their workers, make their decision-making process more scientific and democratic, and avoid authoritarianism. Enterprises need to create a system for making decisions, implementing them and exercising oversight, and set up an effective system for internal oversight and self-restraint to meet the requirements of the modern corporate structure.

VII. Further Strengthen Leadership of Enterprise Reform

Deepening enterprise reform, transforming the way enterprises operate and creating a modern corporate structure are very important and also extremely difficult tasks in the course of establishing a socialist market economy, and Party committees and governments at all levels need to give them the highest priority and strengthen leadership of them.

First, we need to study harder. We bear the great responsibility for carrying out socialist modernization and establishing a socialist market economy, and we face constant developments and changes in our situation and an endless stream of new circumstances and problems. There are many things we do not understand or know well enough, so we must study hard and constantly increase our knowledge and improve our leadership ability. First of all, we need to study Comrade Deng's theory of building socialism with Chinese characteristics, the guiding principles of the Fourteenth National Party Congress, and the decisions taken at the third and fourth plenary sessions of the Fourteenth Central Committee. We also need to study new knowledge concerning the socialist market economy, science and technology, and business management. We need to stay grounded in reality and be creative in our work. In this way we will be equal to our heavy leadership responsibilities.

Second, we need to put the work of deepening enterprise reform and carrying out pilot projects to implement a modern corporate structure

at the top of the agendas of leaders at all levels. We need to formulate a master plan based on our actual situation. At present, all provinces, autonomous regions and municipalities directly under the central government have made plans and preparations for enterprise reform, and we should take them as the basis for our overall arrangements, provide leadership and carry out this work in an orderly and energetic way. We need to quickly study and solve conflicts and problems that arise in the course of enterprise reform. The principal leaders of provinces, autonomous regions and municipalities directly under the central government need to personally take charge of this work.

Third, we need to stay grounded in reality and work effectively. There are many difficult tasks we must complete in deepening enterprise reform and creating a modern corporate structure, and we lack experience and have no precedents we can draw upon, so we can only learn, explore and create through practice. Therefore, all leading cadres need to actually visit enterprises, meticulously conduct investigations and studies, gain a good grasp of firsthand information on enterprise reform, respect worker creativity, promptly learn from experience, correctly guide the course of enterprise reform, and make breakthroughs in difficult key areas in pilot projects to create a modern corporate structure.

Fourth, all departments need to work together and improve coordination. Deepening enterprise reform has far-reaching implications, and all relevant departments should consider enterprise reform an important part of their work, put overall interests first, and proactively help enterprises solve difficulties and problems they encounter in the course of reform. We need to strengthen interdepartmental coordination, unify our thinking and understanding, and work together to carry enterprise reform forward in accordance with the guiding principles of the Fourteenth Congress and the decisions taken at the Third Plenary Session of the Fourteenth Central Committee.

Two years have already elapsed since the Third Plenary Session of the Fourteenth Central Committee, and SOE reform and the work running pilot projects to create a modern corporate structure are gradually progressing. We need to further emancipate our minds, seek truth from facts, boldly experiment, constantly learn from our experience, more energetically implement enterprise reform and strive to make significant progress. We believe that under the guidance of Comrade Deng's theory of building socialism with Chinese characteristics and the Party's basic line, if we take the

"three favorables"[2] as the criterion for judging right or wrong and success or failure of our reform and all of our work, and do our work effectively, we can definitely reform SOEs the Chinese way.

[1] The measures referred to here are reforms in the fiscal and taxation, financial, foreign trade and foreign exchange systems. On June 8, 1994, the State Council approved the Outline for Implementing Economic Restructuring in 1994 submitted by the State Commission for Restructuring the Economy and referred it to the relevant departments. This outline was drawn up on the basis of the Decision of the CPC Central Committee on Certain Questions Concerning Establishing a Socialist Market Economy, the Decision of the State Council on Implementing a Revenue-Sharing Fiscal Management System, the Decision of the State Council on Reform of the Financial System, and the Decision of the State Council on Further Deepening Reform of the Foreign Trade System. In its document, the commission designated the focus of economic restructuring in 1994 to be accelerating reform of the fiscal and taxation, financial, foreign trade and foreign exchange systems in order to create the basic framework for a new kind of macro-control system.

[2] The "three favorables" are criteria put forward by Deng Xiaoping for judging right or wrong and success or failure in all of our work by whether it is favorable to developing the productive forces in a socialist society, to increasing the overall national strength of the socialist state, and to raising the living standards of the people. Cf. "Excerpts from Talks Given in Wuchang, Shenzhen, Zhuhai and Shanghai," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 360.

LEADING CADRES MUST STRESS POLITICS*

September 27, 1995

On the eve of the founding of the People's Republic of China, Comrade Mao Zedong cautioned the whole Party to be on the alert against attacks by the bourgeoisie using sugarcoated bullets. After our Party entered the cities and became the governing party, the vast majority of its members proved themselves worthy, but there also appeared people like Liu Qingshan and Zhang Zishan.[1] Soon after the beginning of reform and opening up, Comrade Deng Xiaoping told the whole Party, "A number of cadres have been corrupted in the brief year or two. . . . It is an ill wind and a strong one. Indeed, unless we take it seriously and firmly stop it, the question as to whether our Party and country will change their nature may arise. This is not just alarmist talk." This statement was very timely and profound. The vast majority of our cadres are honest, but some of them, including high-ranking ones, let this admonition by the Central Committee and Comrade Deng go in one ear and out the other, and ignored study and self-improvement, with the result that they slid down the slippery slope of corruption and degeneracy. The overturned cart is a warning to those behind; I hope everyone takes this lesson to heart. We will still face a difficult task in our anti-corruption campaign in the future, and we cannot let up in the slightest. Party committees and governments at all levels need to focus on the central task of economic development, give equal weight to the battle against corruption and the work of reform, development and stability, and combine the two. Leading cadres in Party committees and governments at all levels need to take overall charge of the battle against corruption in their regions and departments, first of all make sure their leading body is well supervised, and take responsibility for the next lower level so that the chain of responsibility extends from top to bottom. Flagrant violations of law and discipline need to be thoroughly investigated. We need to establish this standard: wherever there are serious violations that are not investigated and punished, responsibility for them will be assigned to the leaders.

Leading cadres at all levels, especially high-ranking ones, must take the lead in strengthening Party spirit. They need to remold their subjective

* Excerpt from a speech at a meeting of the organizing committee for the Fifth Plenary Session of the Fourteenth Central Committee.

world while transforming the objective world, exercise strict self-discipline and take preventive measures. If Party members and leading cadres, regardless of rank or length of Party membership, stop transforming their worldview, turn their back on their purpose of serving the people, and turn the power entrusted to them by the Party and people into a means for personal gain, they will forfeit their standing and reputation. Therefore, they must have a good worldview and outlook on life. Party members and leading cadres, especially high-ranking ones, should think on a higher plane, always put the Party's cause and the people's interests first, and work without regard to their own safety for the benefit of the country and people. Sustained by this spirit, we will stand taller, have a wider perspective, be more broadminded, and correctly handle the issues of personal fame and wealth. This is the only way in which we can live rich and meaningful lives. Leading cadres must above all be highly principled. What kind of people should they be? I urge everyone to reread "In Memory of Norman Bethune"[2] by Comrade Mao Zedong. Comrade Mao required Party members to learn the spirit of absolute selflessness from Comrade Bethune and become noble-minded and pure persons of moral integrity and above vulgar interests who are of value to the people. In our present circumstances of developing a socialist market economy, today's social environment is very different from that prevailing during the war; so we must ask: Does what Chairman Mao said then still hold true today? Yes, it does, and it is even more pertinent now. Leaders at all levels must be dignified, self-critical, self-cautioning and self-motivated and always set a good example. They should be the first to do whatever they demand of others, and never do what they forbid others to do. The people may do some things we leading cadres may not, for example, going to nightclubs, high-class dance halls or other expensive places of entertainment. I think that we leading cadres need to realize that we should not frequent such places.

Party organizations at all levels should impose strict demands on leading cadres and supervise and oversee them closely. At present, there are some cadres who make fewer demands on themselves as they rise in rank and acquire more power. As cadres acquire more power, there are fewer people who have oversight over them but more people who stand to benefit from serving them. When people are not cautious and do not promptly receive needed education and oversight from their Party organizations, it becomes easy for problems, even big ones, to arise. Therefore, to take good care of cadres, Party organizations need to do a good job of regularly edu-

cating, supervising and overseeing them. Intra-Party oversight needs to be strengthened, as does the system of lower ranks monitoring higher ranks and vice versa and of internal oversight within Party committees. We also need to expand the channels of oversight both within and without the Party, and the role of oversight by the masses and public opinion. Party committees at all levels need not only to do a good job selecting and appointing cadres, but also to supervise their thinking and work styles. When they uncover cadres' deficiencies or faults, they should point them out promptly, and help eradicate problems while they are still nascent. All leading cadres, especially principal cadres, need to abide by all the Party's rules, participate in organizational activities, engage in criticism and self-criticism in an exemplary manner, and voluntarily submit to oversight by Party organizations and the masses. Party members and cadres, no matter how exalted their positions or what work they do, are all equal before Party discipline. Within the Party, no one stands above the Party organization and discipline, and no one has the privilege of being free from oversight.

Here I want to emphasize one point. Our high-ranking cadres, particularly provincial Party committee secretaries, provincial governors, ministers, and members of the Central Committee and its Political Bureau, must stress politics, including political orientation, stand, viewpoint, discipline, discernment and acuity. They must be clear-headed when dealing with political issues. Comrade Deng brought this to our attention a long time ago. In his speech to the Second Plenary Session of the Twelfth Central Committee in 1983, he pointed out that the Central Committee and local Party committees at all levels need to earnestly give all their work on the ideological front an important place on their agendas. He stressed, "Now that we have shifted our emphasis to economic development, all our members should consider how to strengthen ideological work and adapt it to the new conditions, so that it is not neglected in favor of economic work."[3] In his speech to the National Party Conference in 1985, Comrade Deng demanded that all Party members conscientiously study Marxist theory in order to "prevent comrades, particularly the newly promoted young and middle-aged comrades, from losing their bearings in the increasingly complex struggle."[4] And in 1986, during his inspection tour of Tianjin he said, "We attach importance not only to reform and to modern science and technology, but also to politics. This makes us much stronger. We have to lay great stress on politics at all times."[5] Comrade Deng is a great proletarian statesman who excels in judging a situation and analyzing problems

politically, and we should learn from his example. As we modernize, our central task is to develop the economy, but we also need political guarantees. So we have to stress politics and political discipline. This is especially important for high-ranking cadres. When Western hostile forces want to westernize and divide us and force their concepts of democracy and freedom on us, and when Lee Teng-hui[6] is advocating Taiwan independence, how can we not stress politics? Can we relax our vigilance and give up the struggle? The tree craves calm, but the wind will not subside; the situation will not change just because we want it to. It was stated at the Fourth Plenary Session of the Fourteenth Central Committee that high-ranking cadres need to become Marxist statesmen. This point is extremely important, but some still do not take it seriously. The overwhelming majority of our high-ranking cadres are excellent politically, and in accord with the Central Committee, but as Comrade Deng has pointed out, some of them really do have the problem of losing their bearings in the increasingly complex struggle. In strengthening political discipline, what is most basic is abiding by the Party Constitution and acting in accordance with its provisions. All Party members need to abide by all its provisions, and high-ranking cadres should take the lead in this. For example, the first requirement the Party Constitution's article concerning Party members' duties imposes on Party members is to conscientiously study Marxism-Leninism, Mao Zedong Thought and Comrade Deng's theory of building socialism with Chinese characteristics. Without study, how can one be a good leader, raise one's ideological and political levels, maintain the correct political orientation and improve one's political discrimination?

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[1] Liu Qingshan joined the CPC in 1931 and served as Secretary of the Tianjin Prefectural Party Committee in the early days of the People's Republic. Zhang Zishan joined the Party in 1933 and served as Deputy Secretary of the Party Committee and Commissioner of Tianjin Prefecture in the early days of the People's Republic. They abused their power to divert funds intended for airport construction and river management; misappropriated grain intended for cadres' families, local residents and farmers working in the city on construction projects; and swindled funds from banks. They used this money to operate illegal businesses in the name of their organizations, reaping exorbitant profits. They embezzled a large sum of money, and used it to bribe cadres and support their extravagant lifestyles. In November 1951, the North China Bureau of the Central Committee arrested Liu and Zhang after receiving the Central Committee's approval. They were expelled from the Party in December of the same year and condemned to death by the Provisional Court of the Hebei Provincial People's Court the following February.

[2] Norman Bethune (1890-1939) was a Canadian Communist Party member and a surgeon. After the Chinese people's all-out War of Resistance Against Japanese Aggression broke out in 1937, he led a team of Canadian and American doctors to China in early 1938 and arrived in Yan'an in late March,

and then went on to the Shanxi-Qahar-Hebei Border Region. He was a model of self-sacrifice, hard work and responsibility. He died in Tangxian County, Hebei Province, on November 12, 1939 after contracting an infection while operating on a wounded soldier. Mao Zedong wrote "In Memory of Norman Bethune" on December 21 of the same year, praising his spirit of selfless devotion to others.

[3] "The Party's Urgent Tasks on the Organizational and Ideological Fronts," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 57.

[4] "Speech at the National Conference of the Communist Party of China," *ibid.,* p. 149.

[5] "Remarks During an Inspection Tour of Tianjin," *ibid.,* p. 169.

[6] Lee Teng-hui (1923-), a native of Taipei County, Taiwan, whose forebears were from Yongding County, Fujian Province, was Chairman of the KMT and "President" of the Taiwan authorities from 1988 to 2000. He deviated from the one-China principle, carried out activities to divide the motherland and create "two Chinas" or "one China, one Taiwan," and supported and indulged the secessionist forces advocating Taiwan independence. In July 1999, he brazenly promulgated the secessionist "two states" statement, which distorted relations across the Taiwan Straits into "state-to-state or at least special state-to-state relations." After leaving office in 2000, he continued to espouse the creation of a Taiwan state, energetically carried out secessionist activities aimed at Taiwan independence, and became the chief representative of the extremist secessionist forces advocating Taiwan independence. He was stripped of his membership in the KMT in 2001.

CORRECTLY HANDLE CERTAIN MAJOR RELATIONSHIPS IN THE SOCIALIST MODERNIZATION DRIVE*

September 28, 1995

In the course of carrying out socialist modernization, it is necessary to properly handle all kinds of relationships, especially major ones with broad implications. Doing so requires the implementation of this general ideology: under the guidance of Deng Xiaoping's theory of building socialism with Chinese characteristics and the Party's basic line, we should clarify the principles we need to uphold in handling the new conflicts and problems of overall significance that arise in modernizing China under the conditions of the socialist market economy. Our goal is to review historical experience and on that basis diligently grasp objective laws, unify the whole Party's understanding, unite the people of all our ethnic groups, and mobilize all positive factors in order to accelerate socialist modernization.

I. The Relationship Between Reform, Development and Stability

To achieve the objectives and complete the strategic tasks set for the next 15 years, we must firmly seize opportunities, deepen reform, open wider, promote development, maintain stability, and correctly balance reform, development and stability. Experience shows that when we balance them well, we can control the overall situation and ensure that economic and social development proceeds smoothly, and that when we do not, we suffer and pay the price.

Reform, development and stability are inseparably bound together. Development is the absolute principle. The solution to all of China's problems depends on its development. Development is indispensable for increasing overall national strength, improving people's lives, consolidating and improving the socialist system, maintaining stability, withstanding the pressure of hegemonism and power politics, safeguarding the country's sovereignty and independence, fundamentally eliminating economic backwardness, and

* Excerpt from a speech at the Fifth Plenary Session of the Fourteenth Central Committee.

taking our place among the modern nations of the world. For the next 15 years, we will have all the conditions necessary to continue our rapid economic development. We must grasp our opportunities, cherish them, and fully exploit them to accelerate development. Reform further liberates and develops the productive forces and gives a powerful impetus to economic and social development. The great achievements in economic development over the past 17 years were obtained through reform. Deepening reform is the key to achieving the objectives of the next 15 years. Reform is the self-improvement and self-development of the socialist system. Its decisive role lies not only in solving important problems now facing economic and social development and in promoting the liberation and development of the productive forces, but also in laying a firm foundation for sustaining economic development in the next century and for maintaining the country's long-term political stability. Stability is a prerequisite for development and reform, and they require a stable political and social environment. This is common knowledge we paid a high price to learn. At present, our economic system is in a period of transition, so it will take a while for people to change their way of thinking; great changes are taking place in the structure of interests; and numerous conflicts may flare up, all of which increases the practical importance of maintaining stability. Without a stable political and social environment, nothing further can be discussed, and it would be very difficult to carry out our plans no matter how good they were.

We need to effectively size up the overall situation, plan carefully, and get a comprehensive grasp of the internal relationship between reform, development and stability to ensure they mutually complement and promote each other. We need to properly coordinate our sense of urgency to accelerate reform and development with a scientific and realistic spirit, carefully consider all beneficial economic and social conditions as well as difficulties that may emerge, carry forward reform and development while we enjoy political and social stability, and ensure long-term political and social stability while pressing ahead with reform and development.

II. The Relationship Between Speed and Results

China's modernization must conform to the principle of unifying speed with results and correctly balance these two factors. China is a developing country, and the key to modernizing it and decreasing the gap between it and developed countries is to follow a course of national economic

development that is both fast and efficient. Many years of experience show that a difficulty we face in carrying out development is organically integrating speed with results. Problems invariably arise from overemphasizing quantitative expansion and only trying to increase the growth rate, while neglecting economic quality, which results in poor returns and low overall quality. This is a key problem that we must conscientiously solve in our future economic work.

In order to correctly balance speed and results, we must update our thinking about development and transform the pattern of extensive economic growth into a pattern of intensive growth. The basic requirement for this kind of transformation is to shift from a reliance on increasing investment, launching more projects and focusing on quantity to a reliance on scientific and technological progress and a more qualified workforce and a focus on economic results. This thinking was clearly set forth in the early stage of reform and opening up, but although it made some headway, its overall impact was limited for a variety of complex reasons, the most important of which had to do with problems concerning the economic system and operating mechanisms. Therefore, the whole Party should raise its awareness of the great importance of transforming the pattern of economic growth and deepen reform in order to accelerate the establishment of a socialist market economy and operating mechanisms conducive to improving economic results. At the same time, we should adopt a comprehensive suite of measures by improving the legal system, implementing policies and formulating plans, and genuinely make improving economic results the focus of our economic work.

In order to transform the pattern of economic growth, we need to emphasize science, technology and education; conscientiously implement the strategy of reinvigorating the country through science and education; and closely integrate science, technology and education with the economy. Science and technology constitute a primary productive force, and economic development must rely on them. In our scientific and technological work, we must always keep economic development as our main focus, take solving the urgent and crucial problems arising in it as our main task, strive to scale the heights of science and technology, and become better able to make scientific and technological innovations. Education is the foundation, and it has a direct bearing on the rejuvenation of the Chinese nation, economic development and all-round social progress. Education must be geared to the needs of modernization, the world and the future; raise the

quality of the people; and train a large pool of talented people who can meet the cross-century needs of the socialist modernization drive.

III. The Relationship of Economic Development to the Population, Resources and the Environment

In the modernization drive, it is necessary to make sustainable development an important strategy. Controlling population growth, conserving resources and protecting the environment must all receive priority in order to bring population growth in line with the development of the productive forces, coordinate economic development with resources and the environment, and bring about a virtuous cycle.

We must unswervingly carry out the basic state policy on family planning, strictly control population growth and work hard to raise the quality of the population. China has a large population, and in the next 15 years it will increase by nearly 200 million. This will make higher demands for agricultural development, higher living standards and economic development as a whole, and create more employment pressure. The ever-increasing labor productivity of enterprises requires proper handling of the relationship between raising productivity and helping redundant personnel find new jobs. Enterprises need to expand their avenues of reemployment for redundant workers; they should not shift this problem onto society. We need to vigorously develop township and village enterprises and small cities and towns, strengthen comprehensive agricultural development, and guide the rational shift and orderly movement of surplus agricultural labor.

China's per capita amount of important resources, such as arable land, water and minerals, is relatively low. As the population increases and the economy develops, greater demands will be made on resources, making it more difficult to protect the environment. It is essential to effectively protect resources and the environment. We cannot merely make arrangements for present development, but must also consider future generations. We absolutely must not squander our heritage and leave future generations with nothing while we waste resources and generate pollution now that has to be cleaned up later. We must choose a combination of industries and a pattern of consumption that suit our national conditions and are conducive to conserving resources and protecting the environment. We need to give equal emphasis to exploiting and conserving resources and control all

kinds of wastefulness. We need to use resources fully and strengthen pollution control.

IV. The Relationship Between Primary, Secondary and Tertiary Industries

As the economy develops, the industrial structure is inexorably improving, and a rational balance of primary, secondary and tertiary industries suited to the level of our productive forces is gradually taking shape. This is the universal trend of economic development in all countries, and China is no exception. Properly handling the relationship between primary, secondary and tertiary industries benefits both balanced economic development and social stability. Our country's primary, secondary and tertiary industries have all developed greatly since the beginning of reform and opening up. The main problems we currently face are a weak agricultural foundation, low industrial quality, sluggish development of tertiary industry, and poor coordination between primary, secondary and tertiary industries. From now on, we must vigorously strengthen primary industry, restructure and improve secondary industry and actively develop tertiary industry.

Improving agriculture is the top problem in developing the national economy. Our country's agriculture not only has to supply food and other agricultural products to a population of over one billion, but also has to provide secondary and tertiary industries with important raw and semi-finished materials and a broad market. Strengthening agriculture will support manufacturing industries and tertiary industries, so contributions to agriculture are also contributions to the economy. Our plans should give priority to agriculture, and so should our policy research. In the Ninth Five-Year Plan period [1996-2000], we will do our utmost to raise our grain production capacity to a new level, effectively solve the problem of lifting 70 million rural residents out of poverty, and enable most rural residents to lead a moderately prosperous life. Overall agricultural productive capacity, the rural economy and rural incomes all need to rise to a new level by 2010. In order to develop agriculture, we need to keep all of the Party's basic rural policies stable, improve them, further deepen rural reforms, increase agricultural investment through a variety of channels, and invigorate agriculture through science and education. We need to actively explore new ways to promote agricultural development. Party committees and governments at all levels must effectively strengthen their work of guiding, organizing

and assisting agriculture, establish a sound system in which various sectors provide services for agriculture, guide secondary and tertiary industries in increasing their support for agriculture, and create a mechanism for industry to supplement, develop and lead agriculture.

At present, China's per capita production of major manufactured goods is still not very high, and every sector of the national economy needs manufacturing industries to provide large quantities of modern equipment for its development. There is great potential for industrial development, and it is still an important driving force behind our country's overall economic development; however, it is necessary to carry out restructuring, continue to strengthen basic industries, vigorously invigorate pillar industries, and raise the quality and levels of all industries. Flourishing tertiary industries are an important characteristic of modern economies. Developing tertiary industries is beneficial not only for alleviating employment pressure and discrepancies between the supply of and demand for capital and resources and for optimizing the industrial structure, but also for increasing overall economic results and promoting market growth. At present, the proportion of the economy tertiary industry occupies is too low and it needs to gradually rise to coordinate with the development of primary and secondary industries, so that the three have an appropriate scale and form a rational structure. Tertiary industries need to be further standardized and regulated, and we should focus on developing industries providing services for social production and people's basic needs in life, standardizing and developing the banking sector, and guiding sound development of the real estate industry. We should draw on the lessons of domestic and foreign experience to forestall the formation of economic bubbles.

V. The Relationship Between the Eastern Region and the Central and Western Regions

In the 17 years of reform and opening up, the economies of the eastern region and also the central and western regions have experienced unprecedented growth. Owing to a relatively good economic base and beneficial geographical circumstances, coupled with policy support from the government, the eastern region has developed more quickly than the central and western regions. The problem of the widening gap between economic development in the eastern region and in the central and western

regions requires earnest attention and proper handling.

We need to unify the whole Party's understanding on the basis of Comrade Deng Xiaoping's strategic thinking that we should allow some regions and some people to prosper first, and then gradually achieve common prosperity. Achieving common prosperity is a fundamental principle and essential characteristic of socialism, and we absolutely cannot vacillate on this issue. We should interpret and deal with these regional disparities from the perspective of history and dialectics. First, we need to recognize that uneven regional development is a longstanding historical phenomenon. Second, we need to take the problem of regional disparities very seriously and adopt effective measures to solve it correctly. Third, solving this problem will take time. We should take shrinking regional disparities as an important long-term principle.

Eliminating regional disparities and persevering in coordinating the development of regional economies will be a strategic task for reform and development in the future. From the start of the Ninth Five-Year Plan period, we will place greater emphasis on supporting economic development of the central and western regions and gradually increase our efforts to deal with the ever-widening regional gap. The central and western regions need to adapt to the requirements for developing a market economy, increase the pace of reform and opening up, make full use of their resource advantages, and vigorously develop industries and products for which they have advantages, so as to gradually translate their resource advantages into economic advantages. At this plenary session, arrangements have already been made and measures adopted to make transfer payments from the central treasury, give priority to resource exploitation and infrastructure projects, encourage investment in the central and western regions, and correct the price system for resource products. The eastern region should continue to take full advantage of its beneficial conditions; become economically more vigorous; and make further progress in deepening reform, transforming its pattern of economic growth, and improving economic quality and results. The central leadership's basic policies for the five SEZs and Shanghai's Pudong New Area remain unchanged, but some specific measures need to be adjusted and improved as the socialist market economy develops, and these zones and this area need to be better managed. The roles of SEZs, open coastal cities and open regions exemplifying, disseminating and stimulating reform and development need to be better utilized. In

addition, the eastern region should take a variety of steps to help underdeveloped areas and ethnic autonomous areas in the central and western regions with their economic development and promote balanced regional economic development.

VI. The Relationship Between Market Mechanisms and Macro-Control

Making full use of market mechanisms and strengthening macro-control are both basic requirements for establishing a socialist market economy. Neither can be dispensed with, and they must not be taken in isolation or put in opposition to each other. Stressing one while discounting or ignoring the other is detrimental to the great cause of reform and development. It is necessary to realize that our country's socialist market economy is integrated into our basic socialist system and that we can exploit both the advantages of the market economy and the superiority of the socialist system. This should enable us to manage the relationships between market mechanisms and macro-control, between present and long-term development, and between efficiency and fairness better and more effectively than Western countries.

In order to make our economy vigorous and efficient, it is necessary to fully utilize market mechanisms. This is an important lesson we have learned in the course of reform and opening up. At present, our country's market is still immature, and it is necessary to accelerate its cultivation and development. To invigorate the economy, we need to further loosen control over all economic activities that should be regulated by market forces. In particular, we should let the market play the main role in allocating resources for competitive industries and adopt market competition mechanisms for basic industries. At the same time, we need to be aware that markets can also be spontaneous, blind and backward, so the state needs to provide correct guidance and control for market activities. China is a large developing country, and it is in the midst of changing its economic systems, upgrading its industrial structure and rapidly developing its economy, so strengthening and improving macro-control is especially important. We need to quickly improve macro-control and use economic and legal means, supplemented by necessary administrative measures, in order to curb inflation, achieve a balance between total supply and demand, and optimize the economic structure. Experience shows that the more open the micro-

economy becomes and the faster the process of marketization occurs, the more necessary it is for macro-control to be strong, flexible and effective. In order to strengthen and improve macro-control, it is necessary to have a requisite degree of centralization and take appropriate measures.

Making full use of market mechanisms and strengthening macro-control both require accelerating transformation of government functions. The key to doing this is to separate government administration from enterprise management and continue to carry out reform of the government administrative system and government bodies. At present, the organization of government bodies is not well suited to the development of the socialist market economy, so we must increase the pace of reform.

VII. The Relationship Between the Public Sector and Other Sectors of the Economy

Keeping the public sector of the economy dominant and encouraging all economic sectors to develop side by side is a principle that we must adhere to over the long term. This requirement is determined by our country's socialist system and the present level of development of its productive forces. Experience shows that only by upholding this principle can we fully invigorate the national economy and spur the rapid development of the productive forces.

Keeping the public sector dominant is a fundamental principle of socialism, as well as a basic hallmark of our country's socialist market economy. We must uphold this principle throughout the process of reform, opening up and modernization. Only by ensuring the dominance of the public sector can we prevent polarization and achieve common prosperity. Any vacillation from or renunciation of the dominance of the public sector deviates from the orientation of socialism. Upholding the dominance of the public sector mainly requires doing the following work well: first, maintaining the dominant position of state- and collectively-owned assets within the total assets of society; second, giving the state sector of the economy dominance in important departments and key areas that are the lifeblood of the national economy; third, giving the state sector the guiding role in overall economic development; and fourth, ensuring the public sector, particularly SOEs, adapts to the needs of the development of the socialist market economy and constantly grows and expands. Of course, the statement that the public sector should be dominant pertains to the

country as a whole, but in some localities or industries, this need not be the case. We need to formulate strategies and plans for developing the state sector, vigorously carry out SOE reform based on the objective of creating a modern corporate structure, and concentrate our efforts on invigorating large SOEs while deregulating and invigorating small ones. All SOEs need to strengthen internal management and do their basic work well. Urban and rural collectives constitute an important component of the public sector of the economy; they have a bright future and we should put great energy into their development. Collective enterprises need to deepen their reforms and create the conditions for establishing a modern corporate structure.

At the same time as we vigorously develop the state and collective sectors, we need to permit and encourage the development of the non-public sector, including individually owned, private and foreign-funded enterprises, and correctly guide them, strengthen oversight over them and supervise them in accordance with the law to make them an indispensable addition to the socialist economy. The state treats all kinds of enterprises alike and create an environment and conditions conducive for enterprises under all kinds of ownership to compete equally in the market.

VIII. The Relationship of Income Distribution Between the State, Enterprises and Individuals

In distributing income, we must uphold the principle that distribution according to work is dominant and multiple forms of distribution coexist; give priority to efficiency with due consideration to fairness; and integrate the interests of the State, enterprises and individuals. For more than ten years, we have carried out economic restructuring and adjusted the policy on income distribution to allow and encourage some regions and some people to prosper first through honest labor and lawful business activities, thus stimulating the initiative of both enterprises and workers. However, this has also given rise to a number of significant problems that require attention: in particular, individuals receive too large a portion of the national income, while the state receives too little, and the income disparity between members of society is too great.

The starting and ending point of our deliberations and actions should always be the fundamental interests of the people. We need to correctly balance savings and spending. To carry out modernization, the state re-

quires a certain level of savings in order to concentrate its resources to accomplish large undertakings. For many years, government revenue as a proportion of GNP and central government revenue as a proportion of the country's total government revenue have both declined; this has exacerbated the country's fiscal difficulties and constantly increased its deficits. Therefore, as the economy develops, it is necessary to gradually increase these two proportions. At the same time, we must strive to reduce expenditures and concentrate on both increasing revenue and reducing spending. Enterprises also need a certain level of savings in order to expand reproduction and become better able to sustain development. The problem of loss of state assets has emerged in recent years. It is important to manage, operate and oversee state assets well, quickly strengthen the ranks of enterprise administrators and managers, and establish a mechanism and system conducive to preserving and increasing the value of state assets. We must continue to promote the fine tradition of hard struggle throughout society, advocate frugality and thrift, and prevent and reduce consumption that is too high for our level of economic development.

In the primary stage of socialism, it is difficult to avoid the existence of a certain disparity between the incomes of different members of society. However, if the discrepancy becomes too great and is allowed to grow, many serious consequences will ensue. We must continue the policy of allowing and encouraging some regions and some people to prosper first in order to achieve common prosperity. We need to gradually increase urban and rural incomes through economic development. At the same time, it is necessary to adjust the distribution of income among individuals to prevent polarization in the same way that we handle major issues of overall importance. We need to distinguish different circumstances, adopt measures suitable to each situation, protect legitimate income, prohibit illegal income, curb excessive incomes and ensure a basic standard of living for low-income people.

IX. The Relationship Between Opening Wider to the Outside World and Maintaining Our Self-Reliance

We must adhere to the principle of opening wider to the outside world while maintaining our self-reliance for a long time. Comrade Deng pointed out, "It is very important to open to the outside world. No country can develop in isolation, with its doors closed; it must increase international con-

tacts, introduce advanced methods, science and technology from developed countries and use their capital."[1] Opening to the outside world has transformed our country's previously closed or semi-closed condition, raised its economic and technological levels, and played an important role in accelerating modernization. We must continue to unswervingly expand the scope of our opening up. We also need to realize that there are a number of problems in developing our economic relations with foreign countries. We need to conscientiously review our experience, act on the basis of state law and policy, provide correct guidance, strengthen supervision and safeguard the country's fundamental interests in order to do the work of opening up even better.

For such a large country as ours to modernize, it is necessary to properly balance opening wider and maintaining our self-reliance by setting self-reliance as our basic standpoint. We need to import advanced technology, but we must integrate importation with development and innovation to establish our own areas of superiority. We need to use foreign capital while also stressing the importance of accumulating our own. In this way we can make the most of our time to quickly lessen the disparity between China and developed countries. Being independent and self-reliant is different from isolating ourselves or blindly excluding everything foreign. It is also different from closing our doors while we develop the country; rather, it involves lifting opening up to a new and higher level.

X. The Relationship Between Central and Local Authorities

The CPC has always placed a high premium on properly balancing central and local authorities. Giving free rein to the initiative of both central and local authorities is an important matter of principle in the country's political and economic life, and it has a direct bearing on national unity, ethnic solidarity and the balanced economic development of the whole country. China is a vast country with a large population and complex circumstances, and economic development is not well balanced between regions. Conferring needed powers on local authorities, giving them more flexibility to adapt measures to local conditions, and unleashing their initiative and creativity in developing their local economies are beneficial to strengthening the vitality of the whole economy. In addition, the national economy is an organic whole, so the central authorities must formulate and implement national laws, principles and policies to effectively balance total

supply and demand; optimize the economic structure; safeguard the unity of the national market; and promote the orderly functioning and balanced development of the economy.

Since we began reform and opening up, we have delegated power to local authorities, unfettering their initiative and effectively promoting reform and development. This was an important experience, and one that we should fully affirm. However, in the course of this process a number of new conflicts and problems have emerged. Some localities and departments place too much emphasis on their local interests and put too little effort into implementing the policies of the central authorities, to the point of formulating countervailing policies, ignoring orders and violating prohibitions. Further, powers that should be concentrated in the hands of the central authorities are not sufficiently so, and in some areas, power is too decentralized. We will not allow partial local or departmental interests to undermine overall national interests. In these new circumstances, we must better adhere to the principle of making full use of the initiative of both central and local authorities. The general principle should be to have both the unity that embodies overall interests and the flexibility that considers local interests under unified guidance, and to both have the centralization that safeguards the state's macro-control power and give local authorities the power they need under centralized guidance. At present, we need to quickly make a rational division of economic powers between central and local authorities in a manner that clarifies the authority and the fiscal and decision-making powers of each, and that unifies powers and responsibilities, and then standardize this practice and place it on a legal basis. We need to strengthen the unified leadership of the central authorities and safeguard their authority. Macro-control powers must be concentrated in the hands of the central authorities, and the central authorities must fully consider the reasonable interests and demands of local authorities when formulating policy. Local authorities should willingly subordinate their interests to and preserve national interests, correctly exercise the powers the state has conferred on them and regulate local economic activities well. Only by making the most of the initiative of both central and local authorities can we invigorate the economy and sustain its sound development.

XI. The Relationship Between National Defense Development and Economic Development

National defense modernization is an important component of our country's socialist modernization, and strengthening national defense is necessary for ensuring national security and economic development. The sole purpose of strengthening national defense is self-defense; at the same time, it will also contribute to the preservation of world peace. Following the Third Plenary Session of the Eleventh Central Committee, Comrade Deng, on the basis of changes in the international situation, made his far-sighted proposal to change the guiding ideology for national defense from one of being prepared for imminent war to building a peacetime modern and standardized army. National defense development and army building depend on economic development and are subordinate to overall economic development. Economic development is necessary to provide the needed material and technological basis for modernizing national defense. The state will support and strengthen national defense on the basis of its needs and capabilities.

In strengthening national defense, we need to implement the strategy of active defense and build an outstanding force with uniquely Chinese characteristics. We need to understand what is needed for national defense and army building in the new era, strengthen the army's defense and emergency response capabilities in modern technological and especially high-tech circumstances, focus on improving troop quality, and strengthen overall effectiveness. We need to intensify national defense research and modernize the army's equipment. In accordance with requirements for developing the socialist market economy, we should uphold the policy of integrating military with civilian interests and peacetime with wartime needs, establish sound operating mechanisms for national defense industries, make the military and civilian sectors more compatible, become better able to shift between peacetime and wartime production, and follow the path of national defense modernization that corresponds to China's national conditions and reflects the characteristics of the times.

XII. The Relationship Between Material Progress and Cultural and Ethical Progress

In carrying out modernization, we will unquestionably have to concentrate on developing the productive forces and make good material progress. At the same time, we must give more prominence to socialist cultural and ethical progress. We need to turn making material progress and cultural and ethical progress into a single unified objective and always stress the importance of both. Under no circumstances may we sacrifice cultural and ethical progress as the price for transient economic development.

Since we began reform and opening up, the political and economic environments have been excellent and considerable cultural and ethical progress has been made. However, there are still a number of pressing problems that need to be solved: ideological and political work is weak, money worship and hedonism have reasserted themselves, public security is lax in some areas, and corruption and other evils are multiplying and spreading. We must take these problems very seriously and adopt effective measures to resolve them.

Our efforts to promote socialist cultural and ethical progress need to be guided by Marxism-Leninism, Mao Zedong Thought and Deng Xiaoping's theory of building socialism with Chinese characteristics. We need to energetically draw on the Party's fine traditions; carry forward the excellent intellectual and cultural heritage of the Chinese nation; strengthen education in patriotism, collectivism and socialist ideology; train socialist citizens who have high ideals, moral integrity, a good education and a strong sense of discipline; and assimilate the outstanding fruits of the world's other civilizations, in order to raise the ideological and moral quality and scientific and cultural levels of the whole population. We need to search for a new path and new methods to make better cultural and ethical progress in our socialist market economy and gradually develop the force of public opinion, values, moral standards and cultural conditions conducive to socialist modernization. Cultural and ethical progress needs to conform to our economic development strategy and be incorporated into our overall plans for national economic and social development.

These 12 relationships are major issues of overall importance in our new circumstances of reform and development. As we gain experience, our understanding will continually deepen as new conflicts and new problems appear. All these relationships will undergo changes, and the

principles and policies we employ will inevitably be adjusted accordingly. We hope that all Party members, especially high-ranking cadres, will study these major issues, emancipate their minds, seek truth from facts, intensify their investigations and studies, draw upon the wisdom of the masses, and improve their leadership, in order to find solutions and carry our country's modernization forward.

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[1] "We Shall Expand Political Democracy and Carry Out Economic Reform," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 123.

LET US CREATE A BETTER WORLD TOGETHER*

October 24, 1995

Mr. President,

There are only a few years left before the end of the 20th century, a century in which the world has undergone massive changes, and the human race is about to stride into the 21st century, a century filled with promise. At this time, as we are about to enter the new century, it is of great significance that the leaders of countries from all corners of the earth have come here to commemorate the 50th anniversary of the founding of the United Nations, a universal, authoritative international intergovernmental organization. We should use this opportunity to take a loftier standpoint, review the past, look forward to the future, and discuss together how to achieve the UN's lofty mission.

Fifty years ago, the UN was born at the time of the great victory in the World Anti-Fascist War. This was a great event in the history of international relations. In the first half of this century, two world wars broke out less than 30 years apart, bringing unprecedented calamity and misery to humanity. The writing of the UN Charter and the establishment of the UN suited the objective necessity of the times for progress; embodied the ardent desire of the people of all countries to eliminate the scourge of war; and reflected the grand ideal of the human race to create a new world of peace, equality, cooperation and prosperity.

In the 50 years since the end of the war, the world has undergone tumultuous changes. It has experienced moments of surging progress that filled people with enthusiasm and moments of endless storms that filled people with terror.

The calamity of the war awakened the people of all countries as never before to the urgent need to control their fate. The struggle for national liberation and social progress spread like wildfire. Billions of people threw off the shackles of colonialism, and more than 100 countries won national independence. The vast number of developing countries became an emerging force on the international political stage and played an important role in world affairs that could not be ignored. The productive

* Speech at the Special Commemorative Meeting of the General Assembly on the occasion of the 50th anniversary of the United Nations at the UN Headquarters in New York.

forces developed rapidly, science and technology progressed by leaps and bounds, and the world economy reached a scale and level never before seen. The forces safeguarding peace and the factors constraining war constantly grew. The human race won 50 years of peace during which society made great progress.

However, the postwar world has been far from harmonious and peaceful. East and West faced off in the Cold War, the North-South rift deepened, regional conflicts constantly erupted, the nuclear arms race spiraled, and the people of the world still lived in a turbulent time under the threat of nuclear war. After the end of the Cold War, although international tensions have relaxed overall, hegemonism and power politics still present a threat and military clashes and local wars constantly break out over territory, ethnicity, religion and resources. The unjust and inequitable old political and economic international order has not changed, and hundreds of millions of people in developing countries still live in poverty. The human race faces a series of severe challenges to its development and very survival.

The UN is a mirror that reflects this volatile international situation. Over the past 50 years, the world's political landscape has changed several times, and the UN itself has traveled an uneven road.

The UN, through the common efforts of its member states, has done much beneficial work and made positive contributions to defusing regional conflicts; abolishing colonialism; encouraging disarmament; and promoting world peace, cooperation and development. The enthusiastic discussion by so many member states of the Secretary General's reports — "An Agenda for Peace" and "An Agenda for Development" — shows that their people hope that the UN will play a more active and effective role in furthering the lofty causes of peace and development. The UN has a position and influence in the world today that is irreplaceable by any other international organization or bloc of countries. However, the UN has suffered numerous setbacks and failures. Some big powers have used the UN banner to exert their political will, and the struggle between them pushed the UN into a helpless predicament. For a long time the will, rights and interests of developing countries have been unable to win their due respect at the UN. This is unsatisfactory.

The ancient Chinese sage Confucius once said, "At forty, I had no doubts. At fifty, I knew the decrees of Heaven."[1] People with several decades of life experience are better able to understand how the world changes and more determined to realize their ambitions and ideals. Today, on the

50th birthday of the UN, it is natural that people even more ardently hope the UN will abide by the purposes and principles embedded in its charter, heed the voices of the people of all countries, keep pace with the times, and greet the new century with a new face.

The developments and changes in the world make it clear to all that the people are the creators and engines of history. History's mighty, tortuous current flows unconstrained, surging forward ceaselessly, and the progress of human society is relentless. Any country, overconfident of its power and mesmerized by its military strength, that adopts an expansionist policy and seeks hegemony is bound to fail. Any country that fabricates pretexts to infringe on another country's sovereignty and interfere in its internal affairs will be ultimately forced to eat the bitter fruit of its actions. Any country that ignores the rich and varied objective realities of the contemporary world and tries to force its own social system, pattern of development and values on others and threatens them with isolation and sanctions starts out by doing harm to others, but ends up damaging itself. Taking advantage of an unjust and inequitable international economic order and basing one's own development on the poverty and backwardness of other countries only alienates others. Trying to run all the world's affairs oneself and dictate the fate of people in other countries is becoming increasingly impossible. In short, all actions that are contrary to the current of the times and violate the fundamental interests of people in other countries will inevitably meet with resistance and opposition.

The lessons learned from a half century's experience, the purposes and principles of the UN Charter, and the themes of peace and development all make solemn and urgent demands upon us.

We need to create a secure, reliable and peaceful international environment with lasting stability. Peace is the primary need of the world's people. Without it, all other undertakings are impossible. Disputes between countries need to be resolved peacefully through negotiation and consultation without resort to the threat or use of force. UN peacekeeping operations must strictly adhere to the relevant provisions of the UN Charter. These operations may not ever become covert interference in the internal affairs of the countries in which they occur, and more importantly, the UN must never become embroiled in a conflict or take sides in a war, and it should only act within its capabilities. The UN needs to totally prohibit and completely destroy nuclear weapons and other weapons of mass destruction, reduce the massive armories of the small number of countries, curb and

eliminate the numerous factors that might lead to war, and ensure the security of all countries and regions.

We need to strictly abide by the norms of international relations based on the principles of equality of sovereign states and noninterference in each other's internal affairs. The founders of the UN inscribed these principles into the charter 50 years ago, and today these principles have even greater vitality and pertinence. All sovereign states in the world, no matter whether large or small, strong or weak, rich or poor, are equal members of the international community. Developed countries and developing countries have an equal right to participate in international affairs. The principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence should become norms of international relations observed by all countries. State sovereignty is sacred and inviolable, and no country has the privilege of interfering in another's internal affairs and imposing its will on it. Some large countries frequently violate other countries' sovereignty, interfere in their internal affairs, and undermine their unity and ethnic solidarity in the name of democracy, freedom and human rights. This is a major reason why today's world is not peaceful. It is time to stop large countries from intimidating small ones, powerful countries from bullying weak ones and rich ones from oppressing poor ones, and start writing a new chapter in the history of international relations.

We need to create new international economic relations based on mutual benefit, mutual complementarity and common development. As relations between countries become increasingly intimate, mutual interdependence and drawing on each other's strengths in the sphere of economics are becoming more pronounced. No country can stand aloof from the international community or withdraw from the global market. The internationalization of economic life requires all countries to develop extensive exchanges and cooperation in the areas of science and technology, economics, and banking and trade; open to each other; and discard trade protectionism and discriminatory trade policies. The long colonial rule and the unjust and inequitable international economic order are the causes of the conditions of poverty and backwardness in many third world countries. Eliminating poverty is a major issue in today's world. Developed countries should support and assist developing countries in vitalizing their economies and raising their people's standard

of living by providing funds, granting debt relief or forgiveness, transferring technology and engaging in fair trade. This is also in the long-term interests of developed countries. The human race is striving to achieve common economic growth and universal prosperity.

We need to create a harmonious international situation in which each country makes its own choices and countries seek common ground while preserving differences. There are approximately 200 countries in the world, and they all differ from each other, whether in social systems, values, development levels, historical traditions, religious beliefs or cultural backgrounds. It is the sovereign right of the people of every country to choose their social system and path of development based on their own national conditions and aspirations, and others have no right to interfere. Every country and nation has its own characteristics and strengths, and they only need to respect each other, seek common ground while preserving differences, live together harmoniously and stimulate each other in order to create a world in which beautiful flowers of all kinds bloom in a blaze of gorgeous colors. The world would not be what it is without diversity, and the UN could not exist without diversity. Any country that does not accept and respect the world's diversity and tries to enforce uniformity upon it will run into a stone wall.

We need to face the challenges confronting the survival and development of the human race together. We all live together on the same planet. The worsening ecosystem, poverty, unemployment, the population explosion, the spread of diseases and drug abuse, rampant international crime, as well as the lack of guarantees of the rights and interests of women and children, are worldwide problems that affect the survival and development of humanity. The developed countries owe an unpaid debt for the devastation they inflected on the ecosystem in the course of their industrialization and modernization, so naturally they should contribute more to environmental protection. The gradual solution of these global problems depends not only on the individual efforts of each country, but also on close international coordination and cooperation.

We believe that the new international political and economic order that all the people of the world look forward to includes the above features. The UN should and can play a unique and important role in creating this order. It can be said that realizing such an order will be the prime hallmark of the finer world we will create together.

Mr. President,

China is a member of the international family. It cannot do without the world. China's reform, opening up and modernization require a long period of international peace and the development of friendly relations and cooperation with other countries. The world needs China, and world peace and development need China to be stable and prosperous.

China is a country with a long history and a large population, and its glorious, ancient civilization made an enormous contribution to humanity. After the middle of the 19th century, China was gradually reduced to a poor, backward, semi-colonial, semi-feudal society. The Chinese people carried out a long unrelenting struggle to defend their national independence, sovereignty and unity, and rejuvenate the Chinese nation, and they ultimately founded the People's Republic of China in 1949. Today, the Chinese people are making great strides along the path of building socialism with Chinese characteristics, and concentrating their energy on developing the economy and raising their own standard of living. The Chinese people ardently love peace and desire development, they are willing to develop friendly relations and cooperation with all other peoples of the world, and they adhere to an independent foreign policy of peace. As China develops and becomes stronger, it absolutely will not seek hegemony or threaten any country whatsoever; rather, China is an important force for preserving world peace and stability and will certainly make a greater contribution to humanity. If China, which has one fifth of the world's population, does not develop but remains poor and backward for a long time, this would have a serious impact on the peace and stability of the Asia-Pacific region as well as the whole world.

There is only one China in the world, and Taiwan is an inseparable part of Chinese territory. The government of the People's Republic of China is the sole legitimate government of China and the only representative of China at the UN. Achieving the peaceful reunification of the two sides of the Taiwan Straits is the firm will and resolve of all Chinese people, including our Taiwan compatriots, and it is a historical current that cannot be stopped. The Chinese people, with a tradition of patriotism reaching back thousands of years, are fully able to and have the means and confidence to eliminate all interference and complete the great cause of national reunification.

China was one of the sponsoring countries of the San Francisco conference at which the UN Charter was drawn up and one of the four coun-

tries that chaired the conference, and it made an important contribution to the founding of the UN. As one of the founding members of the UN and a permanent member of the UN Security Council, China has always strictly abided by the purposes and principles of the UN Charter and conscientiously fulfilled its international obligations and duties. China hopes that the UN will play a more positive and effective role in international affairs. We call upon the UN to undertake needed and appropriate reforms in the spirit of fairness, equity and thorough consultation after conscientious deliberation and discussion. These reforms should be beneficial for achieving the purposes and principles of the UN Charter, completing the onerous tasks the times have imposed on the UN, giving expression to the principle of regional balance, and increasing the standing and role of third world countries in the UN.

Mr. President,

Our generation of statesmen shoulders a historic mission to carry forward the causes of world peace, development and progress into the future. This is a heavy task. History is just and merciless. We absolutely must live up to the ardent expectations of the people of the world. Let us strive together hand in hand to welcome the new century and create a better world.

Thank you.

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[1] *The Analects of Confucius*, "Wei Zheng." The whole passage reads, "At fifteen, I had my mind bent on learning. At thirty, I stood firm. At forty, I had no doubts. At fifty, I knew the decrees of Heaven. At sixty, my ear was an obedient organ for the reception of truth. At seventy, I could follow what my heart desired, without transgressing what was right."

STRESS STUDY, POLITICS AND INTEGRITY*

November 8, 1995

At present, certain negative and chaotic phenomena are occurring in certain localities, departments and areas of society. In most cases, prompt action has not been taken to redress them. There are a number of reasons for this, but the fundamental one is ineffective Party and government leadership, and in some cases, a complete absence of leadership. This situation demands our close attention.

Strengthening leadership first of all requires improving education of cadres, particularly leading cadres, to improve their overall quality, sense of responsibility and work skills. As implementation of the reform and opening up policy and the modernization program is deepened, it becomes increasingly important to improve education of cadres. This is a critical task for the entire Party. The problem of Chen Xitong, the case of Wang Baosen and the occurrence of other similar situations amply illustrate this point.[1] Cadre education is a key link in building the Party and must be given high priority.

Because of current problems in the ranks of cadres, cadre education must particularly stress study, politics and integrity. This should be done throughout the country, with Beijing taking the lead.

It has always been important to stress study. The country and the nation have enjoyed fame throughout the world since ancient times for their respect for study and knowledge. China has produced large numbers of accomplished statesmen, distinguished persons of high integrity and renowned scholars throughout its history. Their achievements are inseparable from their diligent scholarship and great store of knowledge. Nowadays, how can you raise your ideological and theoretical levels, broaden your intellectual and cultural horizons, and avoid making mistakes and errors without studying Marxism-Leninism, Mao Zedong Thought, and Deng Xiaoping's theory of building socialism with Chinese characteristics, as well as history, economics and other areas of science and culture? Self-improvement is also an important kind of study. Comrade Zhou Enlai once said that leading cadres should continue to learn and improve themselves

* Excerpt from a speech made while inspecting work in Beijing.

all their lives. With the profound and great historical changes occurring in China as a result of the reform and opening up policy, how can you be an effective leader and steadfastly withstand the tests of power, money and women without changing your subjective world while changing the objective world?

Knowledge is constantly updated, and our leading cadres at all levels should conscientiously study harder to learn even more about modern science and culture. Yesterday evening we went to an exhibition of results of preliminary research on defense technology for the Eighth Five-Year Plan period. Many of the exhibits, as well as some of the terminology used, would be difficult to understand without study or seeking instruction. What is modern warfare? One might say that the Gulf War[2] gave us a lesson. If we do not understand modern science and technology and military affairs how can we understand modern warfare under high-tech conditions? This is true not only in the case of military affairs, but also in other fields such as economics and culture. The sea of knowledge is boundless. This is why everyone needs to study, study, then study some more. We should cultivate a spirit of "squeezing" and "delving" as Comrade Mao Zedong recommended, that is, first squeeze time out of one's schedule for study and then delve into it. This is essential in order to obtain good results from study. I constantly urge leading cadres to spend less time singing karaoke and attending social functions and devote more time to study. As people obtain more knowledge, their mental horizons broaden.

Communists should stress politics at all times. At the Fifth Plenary Session of the Fourteenth Central Committee, I emphasized that leading cadres, especially high-ranking cadres, must stress politics. My remarks were directed at the current situation prevailing among some cadres in the Party. Some leading cadres do not pay sufficient attention to politics, and some cannot even distinguish right from wrong or good from evil. Some comrades have gotten the mistaken idea that we do not need to pay attention to politics since economic development has become our central task. This is totally out of line with Comrade Deng's thinking and the requirements set forth by the central leadership. Not long after the adoption of the reform and opening up policy, Comrade Deng made it clear that economic development and modernization must have political guarantees. Upholding the Four Cardinal Principles, guarding against the plots of Western hostile forces to westernize and divide China, opposing the activities of Lee Teng-hui[3] and the Dalai Lama[4] designed to split our motherland, and

resisting the corrosive influence of decadent feudalist and capitalist ideas and culture are all political matters. We must always safeguard the interests of the country and the nation when doing business with foreigners. This is a political as well as an economic requirement. Failure to stress politics will hinder smooth progress in reform, opening up and economic development and imperil our efforts to build socialism with Chinese characteristics. In short, we all must gain a better understanding of and conscientiously follow Comrade Deng's call to stress politics at all times.

Stressing integrity is one of the fine traditions of both our Party and the Chinese nation. There are several ancient Chinese sayings that address this subject, for example, "I am skillful in nourishing my vast, flowing passion-nature"[5] and "A small amount of awe-inspiring righteousness brings a great deal of gratification."[6] These sayings mean that one must cultivate integrity and have a strong sense of justice. One must have integrity in order to fearlessly make progress and unflinchingly contribute to the success of the country and society. Wen Tianxiang[7] wrote the "Song of Righteousness" to address this very subject. In his poem "Crossing the Lingding Sea," he wrote, "What man was ever immune from death? Let me but leave a loyal heart shining in the pages of history." Gu Yanwu[8] wrote, "Everyone shares responsibility for the fate of the country." Why have these sayings remained well known down through the ages? It is because they are full of inspiring patriotic integrity. It is the purpose of the CPC to serve the people wholeheartedly. Serving the people is the greatest manifestation of the integrity that all Party members, especially leading cadres at all levels, must cultivate and promote. By vigorously fostering integrity, we can prevent the development of evil practices such as abuse of power for personal gain, money worship, hedonism and ultra-individualism. We need to encourage all cadres to conscientiously work to cultivate integrity and resolutely combat harmful trends and unhealthy practices.

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[1] Chen Xitong served as a member of the Political Bureau of the Central Committee, Secretary of the Beijing Municipal Party Committee and Mayor of Beijing. Wang Baosen was a member of the Standing Committee of the Beijing Municipal Party Committee and Deputy Mayor of Beijing. During his term in office, Wang abused power, embezzled, squandered and misappropriated large sums of public funds, and became degenerate. He committed suicide on April 4, 1995, to avoid punishment. On July 4 of the same year the Central Commission for Discipline Inspection expelled him from the Party. During his term in office, Chen Xitong abused his authority and accepted and misappropriated many valuable objects. He became degenerate, squandered large sums of public funds, and misused his power to help his family and staff carry out business activities that resulted in illegal profits. Chen's

gross dereliction of duty was a major factor in Wang's criminal activities. In April 1995, Chen admitted fault concerning Wang's case and resigned. In September of the same year the Fifth Plenary Session of the Fourteenth Central Committee decided to remove Chen from his positions as member of the Central Committee and its Political Bureau. Following approval of its decision by the Central Committee, the Central Commission for Discipline Inspection expelled Chen from the Party on August 29, 1997. On July 31, 1998 the Beijing Municipal Higher People's Court sentenced him to 16 years in prison on charges of embezzlement and dereliction of duty.

[2] "Concerning Our Military Strategic Principle and Issues of Defense Technology," note 1, p. 141, this volume.

[3]"Leading Cadres Must Stress Politics," note 6, p. 448, this volume.

[4] "On Ethnic Work," note 4, p. 184, this volume.

[5] *Mencius,* Book III, "Gongsun Chou," Part I.

[6] Su Shi (1037-1101), a writer and calligrapher of the Northern Song Dynasty, "To Zhang Woquan from the Pavilion of Felicity in Huangzhou," set to the tune of *Shui Diao Ge Tou.*

[7] Wen Tianxiang (1236-83), a native of Luling, Jizhou (now Ji'an, Jiangxi Province), was a government minister and writer of the Southern Song Dynasty. During the last years of the dynasty, he served concurrently as First Prime Minister and Military Affairs Commissioner and persevered in the struggle against the Yuan Dynasty. He refused to surrender when captured by the Yuan army and faced execution bravely.

[8] Gu Yanwu (1613-82), a native of Kunshan, Suzhou (now Kunshan, Jiangsu Province), was a thinker in the late Ming and early Qing dynasties. The statement that everyone shares responsibility for the fate of the country is based on Gu's message in his *Record of Daily Learning,* Book 13, "Zhengshi": "Every individual, no matter how low his social status, must hold himself responsible for the defense of his country."

UPHOLD THE ABSOLUTE LEADERSHIP OF THE PARTY OVER THE ARMY*

December 17, 1995

At last year's enlarged meeting of the Central Military Commission, I stressed the need to give ideological and political work highest priority in our efforts to comprehensively improve the army, and called for focusing on implementing the four educational programs.[1] One of the guiding principles set forth at the recent Fifth Plenary Session of the Fourteenth Central Committee was the requirement for all Party members, especially high-ranking cadres, to stress politics. Strengthening ideological and political work and stressing politics are accordant. The PLA is an army of the people of all our ethnic groups. Without an army of the people, the people would have nothing. Furthermore, the PLA is an armed body that carries out the political tasks of the Party and adopts the purposes and objectives of the Party as its own. In the new-democratic revolution, the army's political task was to topple the three big mountains[2] through armed struggle and thereby establish New China. As Comrade Mao Zedong once said, "Political power grows out of the barrel of a gun."[3] Since the founding of New China, the army's political task has been to preserve national unity, safeguard state security and social stability, and protect and participate in socialist construction. In other words, the army uses its arms to consolidate state power and defend our socialist state. In short, the army is a strong pillar ***of*** the people's democratic dictatorship, a Great Wall of steel guarding our socialist motherland, and a major force embodying the political superiority of the Party and state. Its special functions and position in state affairs determine that stressing politics is the quintessence of its fine traditions and the soul of army building. Therefore, the army must always keep ideological and political work at the top of its agenda, and maintain high standards and a heightened sense of awareness when stressing politics.

The army needs to stress politics in all of its work. The following points are particularly important in view of the current state of our army building.

First, the most fundamental issue is guaranteeing that the Party maintains absolute leadership over the army. This is particularly important in

* Excerpt from a speech at an enlarged meeting of the Central Military Commission.

this new historical period. Comrade Mao, as a major founder of the army, made a tremendous historic contribution to establishing the Party's absolute leadership over it. During the army reorganization at Sanwan, Yongxin County, Jiangxi, he propounded the principle that "the Party branch is organized on a company basis."[4] Establishing Party organizations at the primary level in the army brought it under the effective control of the Party. He directed the drafting of the resolution of the Gutian Meeting, which enumerated the fundamental principles, measures and methods guiding the Party's leadership over the army and clearly stipulated that the Party is not only to supervise its members and political work, but also to take charge of military affairs and warfare. Comrade Mao also clarified the relationship between the Party and the army from the perspective of political principles, clearly stating, "Our principle is that the Party commands the gun, and the gun will never be allowed to command the Party."[5] The theory of the Party's absolute leadership over the army and the whole system embodying it Comrade Mao created played a decisive role in eliminating the influence of old army models on our army and transforming it from an army composed primarily of peasants into a new proletarian army. Comrade Deng Xiaoping always stressed the army's key role in the country's political life, and particularly in safeguarding national stability, and always considered and administered army affairs from a political perspective. This is the most salient feature of his thinking on army building in the new period. He said that the reason why our country remains stable is that our army is subject to the Party's leadership, which he deemed to be extremely important. He stressed that the Party must control the army, and that the army must always obey the Central Committee, only select those as military officers who are willing to listen to the Party, and never nail its own colors to the mast. The Central Military Commission recently resolved to distribute Comrade Deng's important instructions of October 6, 1992 to officers at the division level and above. In these instructions, he made an in-depth review of our historical experience in army building, highlighted the great practical significance of upholding the Party's absolute leadership over the army, and expounded on fundamental questions concerning army building in the new period. One, he stressed that the army must remain unified and that sectarianism or a "mountain-stronghold mentality" can never be allowed to exist. Two, he maintained that the army must retain the basic character of the old Red Army. Three, he stated that the army must do well in selecting and training new blood. These instruc-

tions are farsighted and of far-reaching implications, and constitute his political arrangements for the army. Officers at the rank of division commander and above must repeatedly study them, constantly work to deepen their understanding of them and resolutely implement them.

The Central Military Commission has redoubled its efforts in recent years to strengthen Party building in the army. Army Party organizations at all levels play a core leadership role and serve as bastions, resulting in improved ideological and political work in the army. Our army is qualified politically and enjoys the complete trust of the Central Committee. At the same time, we must be aware that Western hostile forces seek opportunities to infiltrate and sabotage our army to achieve their political objective of westernizing and dividing China. They advocate departification and depoliticization of the army in an attempt to change its nature and encourage it to distance itself from the Party's leadership. Members of the army, high- and mid-ranking officers in particular, must be highly vigilant against such attempts and remain politically aware and resolute at all times.

On the issue of stressing politics, I stated at the Fifth Plenary Session of the Fourteenth Central Committee that politics includes six aspects — political orientation, stand, viewpoint, discipline, discernment and acuity. For the army to be successful in all six areas, the most fundamental factor is the need to uphold the Party's absolute leadership over the army and retain its nature as the people's army. We must take a firm and clear-cut stand on the Party's absolute leadership over the army. We absolutely cannot allow any ambiguity in this matter or tolerate the army going its own way. We must instill a firm conviction throughout the army that it must remain under the absolute leadership of the Party in order to guarantee that the gun is always in the hands of reliable people who are loyal to the Party, and that the army is in agreement with the Central Committee in political matters at all times and under all circumstances, implements the line, principles and policies of the Party in an exemplary fashion, follows the guidance of the Central Committee and the Central Military Commission in all its actions, and carries out the decisions and instructions of the Central Committee and the Central Military Commission to the letter.

Maintaining strict political discipline guarantees the absolute leadership of the Party over the army. When he reviewed the experience of the Party and the army in thwarting the plot of Zhang Guotao[6] to split the Party and the Red Army, Comrade Mao thoroughly explained the extreme importance of observing Party discipline. He observed that Party discipline must

function as a guarantee of adherence to the principle of the Party commanding the gun and reaffirmed that maintaining Party discipline means that individual Party members have to obey the Party organization, that the minority have to obey the majority, that lower Party organizations have to obey higher ones and that the entire Party has to obey the Central Committee. Comrade Deng always gave high priority to maintaining sound political discipline in the army. He stated, "Our army has always insisted on the importance of obeying orders in all actions and of consciously observing revolutionary discipline. Otherwise, how could we have defeated an enemy far stronger than ourselves? Otherwise, how can we guarantee the Party's absolute leadership over the army and the implementation in it of the Party's line and policies? And otherwise, how can we speed up the process of revolutionizing and modernizing the army?"[7] He also repeatedly stressed the need for the army to guard against and overcome sectarianism and a "mountain-stronghold mentality," saying, "It has been our tradition that the army obeys the Party, that no small cliques are formed. . . ."[8] He added, "A clique is a terrible thing that leads to many failures and mistakes."[9] If we were to allow cliques and cronyism to develop in the army, the result would be internal strife and demoralization that would jeopardize its centralization and unity and could even lead to reduced combat capability. Therefore, we must maintain strict political discipline and insist that everyone abide by it. To ensure good political discipline, we must combat liberalism. An undesirable phenomenon has emerged recently. Some comrades have become very interested in acquiring information about personnel changes in military institutions from the Central Military Commission and the PLA's Headquarters of the General Staff, General Political Department and General Logistics Department all the way down to their own units, and they have even spread rumors about such changes that were published in overseas media. High-ranking officers need to pay close attention to and resolutely put a stop to such unhealthy phenomena when they come to light. Everyone needs to believe in the Party and the masses, concentrate on their work, and not get distracted by concerns about their own promotion or transfer or even worse, become wily and crafty and change with the wind.

Second, we must intensify ideological and political education. If people are weak ideologically, they cannot be strong politically. In order to implement the requirement for the army to stress politics, we must strengthen ideological and political education in the army. We must constantly carry out the four educational programs more thoroughly and effectively. We

must unremittingly conduct education to constantly improve knowledge of Marxist theory among our officers and enlisted personnel, especially leading cadres at all levels; strengthen them ideologically and politically; enable them to better distinguish right from wrong, good from evil, beautiful from ugly, and honor from disgrace; and help them build up their psychological defenses against corruption and degeneration. In the process of opening to the outside world and transforming the country's economic system, assaults on the army from all types of erroneous ideological tendencies are unavoidable, and the corrosive influence of all kinds of decadent ideas and cultures on the officers and enlisted personnel of the army can never be underestimated. Under such circumstances, it is of great practical significance for us to draw a clear line between right and wrong on important matters of principle: between Marxism and anti-Marxism, between privatization and keeping socialist public ownership in the dominant position while having diverse economic sectors develop side by side, between socialist democracy and Western-style parliamentary democracy, between dialectical materialism and idealistic metaphysics, between socialist ideology and decadent feudalist and capitalist ideas, between learning from advanced Western practices and worshiping and having blind faith in all things foreign, and between healthy and civilized versus decadent lifestyles. Only if we can draw a clear line on these essential issues will we be able to ensure that our comrades remain politically resolute and ideologically and morally pure, that the fine traditions and work styles of the Party and the army are carried forward, and that the Party, the army and people throughout the country unite as one and continue to win new victories in building socialism with Chinese characteristics. Ideological and political education in the army must adapt to changes wrought by reform and opening up and building a more revolutionary, modern and standardized army; remain closely related to the ideological realities of officers and enlisted personnel; and be tightly focused, systematic and creative. The ideological standards of leading cadres at all levels need to be raised, so that cadres always place the interests of the Party and the people first, remain fully committed to army building, take the lead in fulfilling their purpose of serving the people wholeheartedly, and conscientiously strive to perform their duties. In dealing with new problems and developments in this new situation, we must pay particularly close attention to imposing strict demands on high- and mid-ranking cadres, and being very strict in their education, administration and oversight. Following the instructions of the Central Military Commis-

sion, the General Political Department of the PLA has drafted the Guidelines for Improving the Education and Supervision of High- and Mid-Ranking Army Cadres. These guidelines will be formally promulgated after they are debated at this meeting, and all high- and mid-ranking cadres are to firmly adhere to them.

Third, we must maintain good relations between the army and the government, between the army and the people, and between officers and enlisted personnel so as to strengthen the unity between the army and the government and between the army and the people as well as unity within the army. Supporting the government and cherishing the people are glorious traditions of our army. Maintaining good relations between the army and the government and between the army and the people is an important guarantee for smooth progress in army building. The Central Military Commission, the PLA's Headquarters of the General Staff, General Political Department and General Logistics Department, and the Party committees of the major military units have always deemed this issue of highest importance. As early as the Yan'an period, Comrade Mao stated that politics was essentially an issue of the army's attitude toward the people and its relations with them. He declared, "The army and the people are the foundation of victory."[10] After the founding of the People's Republic he also said, "If the army and the people are united as one, who in the world can defeat them?"[11] Constantly strengthening the unity between the army and the government and between the army and the people, as well as unity within the army, is an important task in improving the army politically. Relations between the army and the government, between the army and the people, and between officers and enlisted personnel are generally positive, but new problems and circumstances have arisen in this new situation. We need to improve education of officers and enlisted personnel concerning supporting the government, cherishing the people, observing discipline and obeying the law, so that they project a positive image of our army as being composed of a civilized force in all respects. Leading bodies and cadres at all levels in the army must effectively assume responsibility for running the army well. Leading cadres guilty of grievous dereliction of duty must be punished appropriately. Local Party and government bodies at all levels must show concern for and support army building, and exhort cadres and the masses to respect the army and military personnel. They must purposefully protect the army's image and the legitimate rights and interests of military personnel and punish those who infringe on

these rights and interests in accordance with the law. Policies and regulations involving the army formulated by relevant departments of the State Council and local governments at all levels should facilitate the army's training and combat readiness and lighten its responsibilities for operating social programs. Both the army and local governments should attach great importance to the solidarity between the army and the government and between the army and the people, and work together to safeguard political stability and unity. In intra-army relations, superiors should show more concern for their subordinates, and officers should show more concern for their enlisted personnel. Officers should work hard to resolve difficulties common soldiers have in their training and daily lives. Phenomena that infringe on the interests of soldiers, such as verbal and physical abuse and corporal punishment, must cease.

Fourth, we must improve the army's leading bodies at all levels. They constitute the combat command organ of the army, and as such play a pivotal role in army building. How well the army implements the basic line and major principles and policies of the Party and the policy decisions and orders of the Central Committee and the Central Military Commission hinges on how well the army's leading bodies at all levels do their work. In general, the army has been doing a good job in recent years improving its leading bodies at every level, especially those at the rank of general and above. However, a minority of leading bodies have not put enough effort into improving themselves; some are irresolute in executing orders and regulations from the Central Military Commission and the PLA's Headquarters of the General Staff, General Political Department and General Logistics Department, and others have not consistently practiced democratic centralism. As a result, their intra-Party life lacks principle and problems that could have been avoided arise. For example, although the Central Military Commission and the PLA's Headquarters of the General Staff, General Political Department and General Logistics Department long ago promulgated regulations specifying the housing standard for cadres at every level, some units make their own rules and collectively violate the regulations by making decisions at Party committee meetings or leaders' working meetings to build or remodel housing in excess of the specified standards. In particularly grievous cases, when serious violations of discipline occurred in some units, their principal leaders beseeched Party committees to conceal their wrongdoings from higher-level authorities and, surprisingly, these committees agreed not

to report them. In circumstances where leading bodies are lax and abandon principle, how can they ensure army building proceeds smoothly? How can they maintain the correct work orientation? The reason that we require leading bodies at all levels to stress politics is that we put the overall interests of the country and the good of cadres first. It would be an extremely serious mistake to make light of this issue. In order to effectively improve leading bodies, leading cadres at all levels must first of all earnestly study Marxism-Leninism, Mao Zedong Thought and Deng Xiaoping's theory of building socialism with Chinese characteristics, and apply these scientific theories to arm their minds and guide their work. It is extremely important for leading bodies to uphold and improve democratic centralism, which is a fundamental system of our Party and state and an important guarantee for the Party's absolute leadership over the army. In order to strengthen this system, we must adhere to and improve the system that combines collective leadership with division of responsibilities among individuals. In other words, we must stress the major role of leading military and political officers in army work, while preventing them from making arbitrary decisions and placing themselves above their organizations. Party committees must resolve all major matters related to army building collectively and after sufficient deliberation and discussion. Leading military and political officers at all levels in the army should be models in practicing democratic centralism and be receptive to constructive suggestions from all sources. Other members of leading bodies should have a strong sense of responsibility to the cause of the Party, diligently execute their duties, hold firmly to the truth and speak frankly and directly. Oversight of leading bodies at all levels needs to be strengthened, including oversight of superiors by their subordinates, mutual oversight between members of a leading body, and oversight by commissions for discipline inspection, auditing offices and the masses. We must also stress the utmost importance of resort to criticism and self-criticism as a Marxist tool. The quality of democratic meetings of the standing committees of the Party committees of major military units has improved significantly during the first half of this year. Party organizations have been practicing criticism and self-criticism, and high-ranking cadres have held more heart-to-heart talks, but the problem persists of some comrades not baring their hearts openly enough when criticizing themselves, and there is not a sufficient clash of ideas when they criticize one another. Criticism, self-criticism and heart-to-heart talks can help us

distinguish right from wrong, enhance unity, overcome shortcomings, improve work and guard against errors. They are effective ways to improve leading bodies and therefore should be continued.

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[1] These educational programs are designed to ensure that members of the army are patriotic and dedicated to the motherland, maintain a revolutionary outlook on life, respect their superiors, cherish the personnel under their command, and work hard and live simply.

[2] "Patriotism and the Mission of Chinese Intellectuals," note 2, p. 127, this volume.

[3] "Problems of War and Strategy," *Selected Works of Mao Tse-tung,* Eng. ed., FLP, Peking, 1965, Vol. II, p. 224.

[4] "The Army Needs to Be Qualified Politically and Competent Militarily and Have a Fine Work Style, Strict Discipline and Adequate Logistics Support," note 1, p. 133, this volume.

[5] Mao Tse-tung, *op. cit.,* p. 224.

[6] Zhang Guotao (1897-1979), a native of Pingxiang County, Jiangxi Province, attended the First National Congress of the CPC in 1921. He served as a member of the Central Committee, member of its Political Bureau and member of the bureau's Standing Committee. He also served as Secretary of the Hubei-Henan-Anhui Sub-bureau of the Central Committee, Chairman of the sub-bureau's Revolutionary Military Commission and Chairman of the Northwest Revolutionary Military Commission. In June 1935, when the First Front Army of the Red Army joined forces with the Fourth Front Army in Maogong (now Xiaojin), Sichuan Province, Zhang became Vice Chairman of the Central Revolutionary Military Commission of the Chinese Soviet Republic and the Red Army's General Political Commissar. He opposed the Central Committee's decision to send the Red Army north. He tried to split the Party and the Red Army and established a separate central committee. This second central committee was forced to dissolve in June 1936. In April 1938, he left the Shaanxi-Gansu-Ningxia Border Region under the pretext of offering sacrifices to the Mausoleum of the Yellow Emperor, fled via Xi'an to Wuhan, and joined the KMT secret police. He was subsequently expelled from the CPC.

[7] "Speech at a Plenary Meeting of the Military Commission of the Central Committee of the CPC," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1995, Vol. II, p. 95.

[8] "With Stable Policies of Reform and Opening to the Outside World, China Can Have Great Hopes for the Future," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 307.

[9] "We Must Form a Promising Collective Leadership That Will Carry Out Reform," *ibid.,* p. 292.

[10] Mao Tse-tung, "On Protracted War," *op. cit.,* p. 183.

[11] "Ode to the Eighth Company," *Collected Poems of Mao Zedong*, Chin. ed., Central Party Literature Publishing House, Beijing, 1996, p. 210.

MAJOR TASKS ON THE PUBLICITY AND IDEOLOGICAL FRONT*

January 24, 1996

Publicity and ideological work plays an extremely important role in the Party's work as a whole. Through it we instill the Party's theory, line, principles and policies, as well as the state's laws and regulations in the masses. Departments engaged in publicity and ideological work have the responsibility of indoctrinating, mobilizing and educating the public, and raising their ideological standards. If we are to concentrate our energy on developing the economy and promoting all-round social progress, we need publicity and ideological work to provide a powerful guarantee for success. Only if the entire Party and all our people have clear goals, unity of understanding and high morale, and work together can we ensure smooth progress in building socialism with Chinese characteristics.

We must be fully aware of the importance, difficulty and complexity of our publicity and ideological work in this new historical period. We still have much hard publicity and ideological work to do if we are to incorporate the Party's basic theory, basic line, principles and policies into all aspects of our work. Now that China is opening to the outside world and developing a socialist market economy, our publicity and ideological work faces an extremely complex situation and will continue to do so for a long time to come. Naturally, new circumstances are bound to emerge in China as we implement the reform and opening up policy and open our doors to the outside world. One major historic issue is how to assimilate the outstanding achievements of other world civilizations while effectively resisting the politically motivated attempts of international hostile forces to westernize and divide China and ensure that the people have the confidence necessary to build socialism with Chinese characteristics. Another is how to make full use of the positive role of market forces, while effectively preventing the spread of money worship, hedonism and ultra-individualism and helping people cultivate socialist ideals, beliefs, morals and customs. The entire Party must take these issues seriously, study them carefully and address them effectively, but the responsibility for this lies mainly on the

* Excerpt from a speech at a national conference of directors of publicity departments.

publicity and ideological front. At a national conference on publicity and ideological work in 1994, I called on comrades working in the area of publicity and ideology to arm the people with scientific theories, provide them with correct media guidance, imbue them with a noble spirit, and inspire them with excellent works of literature and art. Everyone present at the conference agreed with what I said. They agreed that these four requirements encapsulated the major publicity and ideological tasks and acted accordingly. What we need to consider today is how to implement these requirements in all our work.

I. Arm the People with Scientific Theories

We are engaged in a great and innovative undertaking. We can be assured of continued success only by arming ourselves with Marxism-Leninism, Mao Zedong Thought and especially Deng Xiaoping's theory of building socialism with Chinese characteristics. China's tremendous success in reform and development over the last ten plus years has been achieved under the guidance of the Party's basic theory and line. It is worth noting that China's modernization has been proceeding against a complicated international background. We are presented with favorable historic opportunities and face severe challenges. The Western powers lead the world economically and technologically, and they control international markets and engage in hegemonism and power politics. International hostile forces are attempting to infiltrate and subvert China in every possible way. Domestically, we are in a crucial period of building on past successes, and we face many new and complex issues and problems on our road ahead that must be properly handled. To continue to forge ahead and make further progress, the entire Party must adhere to the Party's basic theory and line more purposefully and resolutely. Only if leading cadres in the Party, particularly high-ranking ones, possess a relatively comprehensive understanding of Marxist theory can they effectively control the overall situation, maintain the initiative in reform and development, seize opportunities and accelerate development, all the while keeping a clear head in the volatile international situation and keeping their feet firmly planted on the ground no matter how turbulent things become.

Arming the people with scientific theories means that all Party members, first and foremost leading cadres at all levels, must tirelessly study Marxism-Leninism, Mao Zedong Thought, and even more importantly,

Deng's theory of building socialism with Chinese characteristics. Through their study, they need to fully understand that the quintessence of these theories is to emancipate our minds and seek truth from facts, and also improve their ability to apply the basic tenets of Marxism to practical problems that arise in the course of reform, opening up and modernization. They should first squeeze some time out of their schedules for theoretical study and then truly delve into it. I hope that leading cadres at all levels will be even more purposeful in their theoretical study and set a good example in this regard.

On my desk are books with carefully selected materials that I often turn to: the *Selected Works of Karl Marx and Frederick Engels, Selected Works of V. I. Lenin, Selected Works of Mao Zedong* and *Selected Works of Deng Xiaoping.* I hope that leading cadres at the provincial and ministerial level and above will often study them as well because it will benefit them greatly. I do not mean that they should accept them as dogma. Our Party has always maintained that we should study and fully grasp the Marxist stand, viewpoint and method, and use them to solve practical problems. It is impossible to find ready-made solutions in the works of Marxism-Leninism for the many new situations and problems we are facing today, since these situations and problems did not exist back then. It is difficult for theoreticians to predict what social phenomena will occur before they do, and impossible to be 100% accurate in their predictions. For instance, in his preface to *A Contribution to the Critique of Political Economy,* Marx wrote, "No social order is ever destroyed before all the productive forces for which it is sufficient have been developed, and new superior relations of production never replace older ones before the material conditions for their existence have matured within the framework of the old society." This statement can help us to understand why capitalism has not entirely disappeared yet. However, Marx failed to predict the occurrence of the October Revolution in Russia, a weak link in the chain of imperialism, that gave birth to the Soviet Union. This is why we say that Lenin developed Marxism. With the demise of the Soviet Union, world socialism suffered a severe setback. In China, however, socialism has not only been preserved, but further developed. That is because we have the theory of building socialism with Chinese characteristics that Comrade Deng Xiaoping created by applying Marxism to conditions in contemporary China and the tenor of the times. Another factor is China's time-tested Marxist party with its correct line, principles and policies, and the support of the people. The fact that socialism has not

only been preserved, but also further developed in China demonstrates the power of Deng's theory of building socialism with Chinese characteristics. The people are the driving force that creates history, and a country's leaders represent the people's interests, stand in the forefront of the times and play a significant role in determining the direction of history and the fate of the country. Therefore, leading cadres should diligently study Marxist works so they can truly shoulder the heavy responsibilities bestowed upon them by the times. In addition to intensifying their theoretical study, they should also read some classics such as *A Tale of Two Cities* by Charles Dickens.[1] I read this book when I was 15, and I am sure I would feel differently about it if I were to read it again now. I read it as a novel at that time, but today I would read it to learn more about history. I believe that the novel that gives the most complete account of the French Revolution is still *A Tale of Two Cities,* even more so than *Ninety-Three* by Victor Hugo.[2] In short, I hope leading cadres of provinces, autonomous regions and municipalities directly under the central government will diligently improve their theoretical level and become more knowledgeable.

The Central Committee has recently emphasized the important concept that leading cadres must stress politics. What is the point of this? The Central Committee has done this so that the entire Party will follow Deng's theory of building socialism with Chinese characteristics and the Party's basic line more resolutely, comprehensively and correctly, and carry out reform and opening up and modernization of the country even better. The economy is fundamental to all of our efforts. We must continue to take economic development as our central task, and we must never waver in this regard. However, without a strong political guarantee, economic development cannot succeed. The key issue for stressing politics is to maintain a correct political orientation and stand. The modernization we are pursuing is socialist modernization, and the market economy we are developing is a socialist market economy. The Central Committee has always been crystal clear on such fundamental questions. At present, some cadres are so engrossed in their work that they give little thought to questions of political orientation and stand, so they are not as politically discriminating and sensitive as they should be. The crux of the matter is that they do not stress politics or give adequate consideration to Marxist and socialist politics. A fundamental solution to this problem is for them to conscientiously study Marxist theory so they can fully understand it and thereby be able to carry out their task of arming the people with scientific theories. They can be

politically resolute and proficient only if they have a firm theoretical base and are well versed in theory. In other words, being well versed in theory is the basis for being politically resolute. Stressing politics does not mean simply mouthing political slogans, but rather adhering to the Party's basic theory and line, policies and political principles in all work on the basis of actual circumstances and continuing to build socialism with Chinese characteristics. Leading cadres at all levels must work hard to raise their political standards and take a clear stand on matters of principle. They must draw a clear line on certain basic issues: between Marxism and anti-Marxism, between privatization and keeping socialist public ownership in the dominant position while having diverse economic sectors develop side by side, between socialist democracy and Western-style parliamentary democracy, between dialectical materialism and idealistic metaphysics, between socialist ideology and decadent feudalist and capitalist ideas, between learning from advanced Western practices and worshiping and having blind faith in all things foreign, and between healthy and civilized versus decadent lifestyles. When it comes to major issues like these, leading cadres must be able to distinguish right from wrong and beauty from ugliness. They cannot be blase about opinions contrary to the Party's position. They must not allow harmful trends and noxious influences that are contrary to the Party's purposes and discipline to grow unchecked.

Another important part of the effort to arm the people with scientific theories is to guide Party members and cadres in fostering a correct worldview, outlook on life and sense of values. In the face of the profound and momentous changes occurring as a result of reform, opening up and modernization, all Party members must remold their subjective world while working to change the objective world, firmly hold socialist and communist ideals and beliefs, adhere to the purpose of serving the people wholeheartedly, and foster a spirit of devotion to the people's interests. This is the only way for our Party organizations to become more cohesive and militant. This is the only way Party members and cadres can withstand all kinds of severe tests and resist the temptations of power, money and women. It is my belief that a major reason why some cadres have made mistakes, run into trouble and fallen from grace is due to their yielding to such temptations. An important way to ensure that cadres are able to withstand these tests is for them to study hard, build their characters, foster a correct worldview, outlook on life and sense of values, truly serve the people and devote themselves to our cause. People in Jiangsu say, "Even if you have

tons of gold at home, you can only eat three meals a day." Lu Fangweng[3] wrote in a poem, "Worldly desires drive us to destruction like a stampeding herd of cattle, While a sandpiper soars over the earth untouched by human affairs." The first line paints a picture of what happens to people driven by fame and fortune, while the second line exhorts people to be unmoved by them. People who are overly preoccupied with fame and money will also find it worthwhile to heed the wisdom in the poem "Taoist Songs of Praise" by Zheng Banqiao.[4] It says, "An old scholar lives in a bare room, reading from the sages of yore and immersing himself in ancient times. Success in the imperial examination brings young men to prominence. At home, their servants are as aggressive as tigers, and abroad, their flags fly high in the air. When power changes hands, they fall to their doom. Better to live in a humble abode and teach small children at home." Of course, we should understand these ancient poets in a positive light. Sooner or later, everyone has to leave the stage of history. To borrow a phrase, it is better to have a safe landing or a soft landing. There is nothing to be gained by excessive hunger for fame and fortune. They can only take your freedom. People should cultivate a lofty soul.

II. Provide the People with Correct Media Guidance

Public opinion is very important and we must not disregard it. We have had both successes and painful experiences in our history in this regard. The serious mistakes we made in guiding public opinion during the political disturbances in 1989 serve as a profound lesson for all Party members. Maintaining the correct orientation of public opinion first of all requires that we maintain a correct orientation of newspapers, periodicals, news agencies, radio and TV stations, and publishing houses by keeping their management firmly in the hands of Party members and Marxists. The Publicity Department of the Central Committee has been doing a great deal of work in this area in recent years, and has put in place a macro-regulatory system for the media and maintained a correct orientation for the news media and public opinion. Here, I would like to emphasize three points.

First, we must inspire the people. Providing the people with correct media guidance fundamentally means inspiring all Party members and the people of all our ethnic groups to strive to carry out the Party's basic line, realize the fundamental interests of the people and steadfastly work to build socialism with Chinese characteristics. All of our publicity work

must contribute to the unity of the Party and the unity of the people and uplift them.

Second, we must put overall interests first. How to properly balance reform, development and stability and put the overall interests of the Party and the country first is an issue that everyone working in the fields of news and public opinion must pay close attention to and carefully study. Reports on the Party's basic theory and line, principles and policies must be comprehensive and accurate. Reports concerning major issues related to the people's interests, the Party's principles, national security, ethnic unity and foreign relations must conform to the guidelines set down by the Central Committee. Newspapers, periodicals, news agencies, radio and TV stations, and publishing houses must all take promoting reform, stimulating development and maintaining stability as their guideline and objective.

Third, we must strengthen regulation of the media. To maintain the correct orientation of public opinion, all departments responsible for publicity and ideological work must constantly strive to improve their work. At the same time, we must strengthen macro-regulation of the media. This is an important lesson we have learned in recent years. We need to strengthen guidance, oversight and regulation of publicity designed to influence public opinion in accordance with the Marxist outlook on journalism, and with the requirements of serving the people, socialism and the overall situation of the whole Party and country. Leading cadres must unify their thinking in this matter. We need to constantly learn from our experience in strengthening regulation of such publicity in this new situation. The quality of news and publicity should also constantly improve to enhance their appeal to the public.

A report from the Publicity Department of the Central Committee made a proposal to address the disorder and chaos rampant in the press and publishing. The members of the Standing Committee of the Political Bureau of the Central Committee discussed the proposal and concluded that it was a good idea. China has thousands, perhaps even ten thousand, radio and TV stations and similar numbers of both newspapers and periodicals. Such a great number with such decentralization is rare in the world. I have heard that newspapers and periodicals engage in annual circulation wars. Some local authorities feel it is not important to subscribe to the *People's Daily*, and some local radio and TV stations do not simulcast key programs of China National Radio and China Central Television. Some newspapers and magazines compete with each other to publish vulgar ma-

terials. There are a number of reasons for the emergence of this situation. One is that some people only care about the interests of their own departments, their local areas and a minority of people. I am calling on the Publicity Department of the Central Committee, the Ministry of Radio, Film and Television, and the Press and Publication Administration of China to work together to find a solution to this problem as soon as possible. Of course, we cannot rely on these departments responsible for publicity and ideological work alone to solve the problem. Party committees and governments at all levels should also actively support them in this task and strengthen their leadership in this area.

III. Mold the People with a Lofty Spirit

Socialist modernization would not succeed in an economically and culturally backward country like China without generation after generation of noble-minded, progressive people, and without their efforts to unite with and lead the people in a concerted struggle. When I speak of noble-mindedness, I refer to the Party's lofty ideals and beliefs, fine traditions and work style, as well as the fine cultural traditions and virtues developed by the Chinese nation over thousands of years.

Comrades Mao Zedong and Deng Xiaoping both said that people need to have some revolutionary spirit. Let us now recall an important statement Comrade Deng made when the reform and opening up policy was first implemented. He said, "We should educate all Party members so that they will act selflessly, put overall interests first, work hard, perform their official duties honestly and uphold communist ideas and morality. The socialist China we are building should have a civilization with a high cultural and ideological level as well as a high material level. When I speak of a civilization with a high cultural and ideological level, I refer not only to education, science and culture (which are of course indispensable) but also to communist thinking, ideals, beliefs, morality and discipline, as well as a revolutionary stand and revolutionary principles, comradely relations among people, and so on. Acquiring and cultivating a revolutionary spirit does not necessarily require a high level of development materially or a very high level of education. Haven't we always worked for the revolution by employing the scientific theory of Marxism and maintaining a revolutionary spirit? From the Yan'an days to the founding of New China, was it not this precious revolutionary spirit — in addition to a correct political orientation — that enabled

us to win the support of the entire Chinese people and of foreign friends? How can we build socialism without a high cultural and ideological level, without communist thinking and morality? The more firmly the Party and government carry out the policies of reforming the economy and opening to the outside world, the more must the Party members, and senior leading cadres in particular, cherish communist ideology and morality and act according to them. How can we educate the younger generation and lead our country and people in building socialism if we ourselves are unarmed ideologically?"[5] Regarding the actual conditions in this new period, he summarized the five types of spirit the Party has developed through decades of revolution: the spirit of being revolutionary and working tirelessly, the spirit of strictly abiding by discipline and being self-sacrificing, the spirit of acting selflessly and placing others' interests first, the spirit of overwhelming all enemies and surmounting all difficulties, and the spirit of maintaining revolutionary optimism and removing all obstacles till victory is won. He said, "A Party member who lacks this spirit is not fit to be a Communist. But that is not all: we must call on members of the Party to foster this spirit among all our people, particularly our young people, through exemplary deeds, so that it becomes the main pillar of a culturally and ideologically advanced civilization in the People's Republic of China. Our country will then be looked up to by all revolutionary- and progressive-minded people in the world and admired by all who feel frustrated and suffer from spiritual emptiness for lack of purpose in their lives."[6]

In general, our cadres and masses have a positive mental attitude at present. However, we must also be aware that there are indeed some negative phenomena existing in the Party and in society, which have become quite serious in some localities. We must pay close attention to this problem even though it is still restricted to a minority of people. Some Party members and cadres pay lip service to serving the people, but they squander public funds frequenting karaoke and dance halls and indulging in gluttony and pleasure seeking. Others make false reports to obtain undeserved credit, and still others try to build social connections and curry favor with their superiors in order to climb the social ladder. Though only a minority of Party members and cadres do this, these cases nevertheless seriously damage the Party's reputation, adversely affect public morals and run counter to the noble spirit we advocate. Such practices also expose the weakness and laxity in the leadership of the Party organizations to which such persons belong and show that these Party organizations have abandoned the

ideological education of Party members and cadres. In order to imbue the people with a noble spirit, we must first of all promote proper behavior among Party members. The Party sets the example for the rest of society, and Party leaders at all levels set the example for all other Party members. In order to improve public morals, we must first of all improve Party conduct. Leaders at all levels must set an example by their own conduct and not be two-faced by publicly talking about Marxism, while surreptitiously engaging in all sorts of improper activities. Improving the Party requires giving high priority to ideological education of Party members, particularly paying attention to imposing strict requirements, strict supervision and strict oversight on leading cadres. Action speaks louder than words. The more deeply we implement the reform and opening up policy, the more we need to improve education of Party members and carry forward the Party's noble spirit and fine traditions. Departments responsible for publicity and ideological work need to pay particular attention to publicizing typical persons and cases in this respect. In recent years, we have done quite a bit of publicity work to highlight model persons such as Kong Fansen, Zheng Mingqi and Li Runwu, with good results. We will continue to publicize outstanding Party members, outstanding cadres and model workers who emerge wherever they may be. In addition, we must strengthen oversight of public opinion and select some typical cases of inappropriate behavior for public exposure, even prosecuting some of them in accordance with the law. We need to launch an extensive publicity campaign to teach people about patriotism, collectivism and socialism, so that cadres and the masses will be inculcated in the noble spirit that the Party has always advocated.

Occasionally decadent ideas, vulgar tastes and feudal superstitions, as well as some things smacking of colonial culture get promoted. There are restaurants with names like "Imperial Restaurant" and stores with names like "Playboy Store," as well as things like "aristocratic schools" and "aristocratic hospitals." The contents of the foreign magazine called *Playboy* are obscene, and well-educated people do not read it, yet, surprisingly, some Chinese businesses use the word "playboy" in their names. Some advertisements promote products with phrases such as "imperial style" and "taste fit for a king." Some products deliberately use foreign brand names and trademarks, providing free advertising for those foreign brands. The titles, covers and contents of some publications are vulgar and distasteful, and are frowned upon by the general public. What kind of ideological concepts are we fostering by allowing the scale of this problem to continue to grow,

thereby keeping such phenomena constantly in front of us and gradually influencing our thinking? Party committees and governments at all levels must pay close attention to this problem. Administrations for industry and commerce, the press and the publishing industry must also address it. The Publicity Department of the Central Committee introduced six dos and six don'ts[7] for publicity and culture departments to follow. One of them is, "Don't sacrifice principles for profit." That's a great point that everyone should pay close attention to in their work.

IV. Inspire the People with Excellent Works of Literature and Art

Whether or not our publicity and culture work can successfully unite and inspire the people depends to a large extent on whether or not we can produce large numbers of good cultural and intellectual products. Maintaining the correct orientation of public opinion is not possible without outstanding works of literature and art. Such works are a concentrated expression of the intellectual, ideological and cultural level of a nation and an era, and have a major effect on and serve as models for the further production of cultural and intellectual products. While it is true that many literary works were popular for only a short time in the history of literature, some world-famous classics such as *A Tale of Two Cities* by Charles Dickens, *War and Peace* by Leo Tolstoy[8] and *Gone with the Wind* by Margaret Mitchell[9] are still read today. We also have classics of our own such as *A Dream of Red Mansions, The Romance of the Three Kingdoms* and *The Water Margin*. Any work that paints a true picture of a historical period, has a high literary value and is rich in content is imperishable. This is the level toward which Chinese writers and artists should strive. I hope that many new outstanding works will emerge among the novels, plays, poems, essays, films, TV programs, musical compositions and works of fine art being produced in this new period. Excellent songs such as "March of the Volunteers," "Yellow River Cantata," "Unity Is Power" and "Song to Our Motherland" have inspired and educated quite a few generations, and will be handed down to posterity. These represent the kind of works I am talking about here. Thanks to the hard work of publicity and culture departments and the many workers in this field in recent years, a number of good works of literature and art that emphasize the prevailing themes of the times have been created and presented to the public to great acclaim. One example is last year's variety show called "Tribute to the Light" staged in commemoration of the 50th anniversary of victory

in the War of Resistance Against Japanese Aggression and the World Anti-Fascist War. Another example from last year is the concert to mark the 60th anniversary of the national anthem. They had high ideological and artistic value, and were therefore very moving experiences.

The key to producing great works is to adhere to a correct ideology in their creation. Publicity and culture departments should do more to guide writers and artists on the correct ideology to follow in creating their works. First of all, the issue of what or whom a work of literature or art should serve has to be resolved. Workers, farmers and intellectuals constitute the core force driving China's socialist modernization. Their labor and their work represent mainstream life in China. We should produce more and better cultural and intellectual products that depict the vivid experience of workers, farmers and intellectuals as they participate in reform, opening up and modernization, and reflect the wisdom, intelligence and cultural and intellectual spirit they display in creating a happy life. This is the sacred duty of everyone working in the fields of publicity and culture. We also need to realize that a nation cannot truly stand tall among the nations unless it preserves and promotes its own cultural identity while energetically carrying out economic development. In developing a socialist culture with Chinese characteristics, we must draw upon and carry forward the fine cultural traditions of the Chinese nation while assimilating the outstanding cultural achievements of other countries. This has an important bearing on whether we can rejuvenate the Chinese nation and fully succeed in building socialism with Chinese characteristics. Here, people working in the areas of theory, the press, literature and art, and the publishing have a particularly important mission. We should approach our work and examine what we create from this high vantage, and have a sense of responsibility to Chinese society, the Chinese people and our future generations.

I hope people working in the fields of publicity and culture will often study Comrade Mao's "Talks at the Yan'an Forum on Literature and Art" and Comrade Deng's "Speech Greeting the Fourth Congress of Chinese Writers and Artists." In creating their works, writers and artists must hold to the orientation of serving the people and socialism and adhere to the principle of letting a hundred flowers bloom and a hundred schools of thought contend, thereby creating an atmosphere of bold exploration and vigorous creativity. In addition, people should also engage in constructive literary and artistic criticism. During the Renaissance, the creation of literature and art flourished in Europe, as did literary and artistic criticism.

Russia produced a group of internationally influential writers in the 19th century, and at the same time produced great, authoritative critics such as Nikolai Gavrilovich Chernyshevsky,[10] Vissarion Grigorievich Belinsky[11] and Nikolay Aleksandrovich Dobrolyubov.[12] China's critics should be reasonable in what they write, and praise good works while criticizing unwholesome ones. In their critiques, critics should neither lavish excessive praise nor carelessly apply labels to works. Even more importantly, we cannot label legitimate criticism as an unwarranted attack. Otherwise, there would be no literary or artistic criticism at all. In short, our critics should exchange views and work together to improve themselves. I suggest we often hold forums of workers, farmers, intellectuals, and PLA officers and enlisted personnel, as well as persons from the democratic parties and other sectors of society, to listen to their comments and help Chinese writers and artists create and perform better. I hope everyone working in the fields of publicity and culture keeps in close contact with real life and the masses, and obtains a great amount of inspiration from their great experience carrying out reform and development in order to create outstanding works worthy of the times.

We must pay close attention to both enriching the country culturally and regulating the market for cultural products. A letter written by a mother in Suzhou recently published in a newspaper reflects the feeling of many people in society. A brief commentary on the letter entitled "Guard Against Computer Crime"[13] in the *People's Daily* was also well written. Reading the letter brought tears to people's eyes. Members of the Standing Committee of the Political Bureau of the Central Committee were also deeply affected when they discussed this matter. The woman's 16-year-old son had always been a good boy and his parents had high expectations for him. They used all their savings to buy him a computer so he could learn computer technology, but he poisoned his mind by watching pornographic VCDs on it. All Party members share in the obligation to educate our young people. We simply cannot sit on our hands and do nothing about this problem. We must tighten regulation of the market for cultural products. We must resolutely and relentlessly combat the kind of cultural and intellectual trash that contaminates people's minds and poisons the social atmosphere. We will continue to combat pornography and illegal publications and promote healthy development of the market for cultural products.

The issue of how to balance social and economic benefits while China is developing a socialist market economy is crucial in the production of

intellectual products. We need to further study policies related to the field of publicity and culture, particularly those related to the economic aspects of culture. We need to become adept at using market forces to invigorate cultural enterprises and institutions while working to create an environment and conditions to give top priority to social benefits. At present, this problem still needs to be solved. Many cadres and members of the general public have reported that some important centers devoted to strengthening patriotism, such as memorials and museums of revolutionary history, stage furniture and clothing trade fairs to generate income. There has been a strong negative reaction against this phenomenon among the masses. There is a possible solution to this problem that I believe we should explore. We should identify a group of influential cultural institutions and programs that take social benefits as their sole criterion and provide them with public funding from governments at all levels to meet their operating expenses. We must not be too stingy in this funding. Part of the funding could come from the central government and part from local governments. Hopefully we can gradually solve the problem of underfunding for nonprofit, public culture institutions.

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[1] Charles Dickens (1812–70) was a British writer. In addition to *A Tale of Two Cities,* his major novels include *David Copperfield, Bleak House* and *Hard Times.*

[2] Victor Marie Hugo (1802-85) was a French writer. In addition to the novel *Ninety-Three,* his major works include the novels *The Hunchback of Notre Dame* and *Les Misérables* and the collection of poems *La Légende des siècles.*

[3] Lu Fangweng (1125-1210), also known as Lu You, a native of Shanyin, Yuezhou (now Shaoxing, Zhejiang Province) in the Northern Song Dynasty, was a poet of the Southern Song Dynasty. This quote was taken from his "Autumn Thoughts."

[4] Zheng Banqiao (1693-1765), also known as Zheng Xie, a native of Xinghua, Jiangsu Province, was a calligrapher, painter and writer during the Qing Dynasty.

[5] "Implement the Policy of Readjustment, Ensure Stability and Unity," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1995, Vol. II, pp. 361-62.

[6] *Ibid.,* p. 363.

[7] The six dos and six don'ts were introduced at the National Conference on Publicity and Ideological Work in January 1994. They are: help and don't get in the way; emphasize the themes of the times and don't sow discord; pay attention to social benefits and don't sacrifice principles for profit; abide by publicity rules and don't just go your own way; maintain focus and don't get distracted; and seek real results and don't just do things for show.

[8] Leo Tolstoy (1828-1910) was a Russian writer. In addition to the novel *War and Peace,* his major works include the novels *Anna Karenina* and *Resurrection* and the essay "What Is Art?".

[9] Margaret Mitchell (1900-49) was an American writer. Her major work was the novel *Gone with the Wind.*

[10] Nikolai Gavrilovich Chernyshevsky (1828-89) was a Russian revolutionary democrat, philosopher, literary critic and writer. His major works include the essays "The Aesthetic Relations of Art to

Reality," "The Anthropological Principle in Philosophy" and "Capital and Labor," and the novel *What Is to Be Done*?.

[11] Vissarion Grigorievich Belinsky (1811-48) was a Russian revolutionary democrat, philosopher and literary critic. His major works include "Literary Reveries," "Sorrow of the Mind," "Guide to Understanding Theoretical Materialist Philosophy" and "Letter to Gogol."

[12] Nikolay Aleksandrovich Dobrolyubov (1836-61) was a Russian revolutionary democrat, literary critic and philosopher. His major works include "Degree of Populism in the Development of Russian Literature," "Dark Kingdom" and "When Will the Real Day Come?".

[13] This commentary appeared in the *People's Daily* on December 18, 1995.

UPHOLD THE RULE OF LAW*

February 8, 1996

Strengthening development of the socialist legal system and following the rule of law are an important component of Deng Xiaoping's theory of building socialism with Chinese characteristics and an important principle guiding our Party and government's administration of state and social affairs. Implementing and upholding the rule of law means gradually putting all the work of the state as well as the country's political, economic and social activities on a legal basis and standardizing them. It means letting the broad masses of the people participate in various ways in the management of state affairs, economic and cultural undertakings, and social affairs, under the leadership of the Party and in accordance with provisions of the Constitution and laws. It also means gradually institutionalizing socialist democracy and providing a legal basis for it. Implementing and upholding the rule of law is of prime importance for promoting sustained, rapid and sound economic development and all-round social progress and for ensuring prolonged political stability.

Human history is poised to enter the 21st century. At the Fifth Plenary Session of the Fourteenth Central Committee, the Party unveiled a blueprint for China's trans-century development up until 2010, at which time our socialist market economy will be relatively complete. World economic experience shows that a relatively mature market economy inevitably requires and acquires a relatively complete legal system. Market activities, maintenance of market order, and state macro-control and supervision of economic activities, as well as production, exchange, distribution, consumption and all other activities need to be guided and standardized by law. In international economic contacts, practices must conform with international norms and regulations agreed upon between countries. All these are inherent requirements of the market economy. In order to achieve a fundamental transformation of our economic system and pattern of economic growth, we need to improve all aspects of our legal system and establish a complete legal system for the socialist market economy and for an intensive economy on the basis of general market rules and our national conditions.

* Speech at a lecture on the legal system held by the Central Committee.

As our economy develops and our society progresses, new situations and problems will constantly arise and we will continually acquire new experience resolving them. For this reason, the process of establishing our legal system cannot be completed all at once; we must constantly deepen, strengthen and improve the system. We need to study and evaluate new situations, problems and experience, and formulate new laws and regulations in a timely fashion. In this way we can avoid using old methods to address new problems and falling into a passive position of doing things unsystematically and hurriedly. Yet another major issue demanding our attention is the need to draw upon accumulated experience to formulate specific rules in order to ensure basic laws and regulations are implemented successfully. Without such rules, many difficulties will arise in implementing them.

An important task in strengthening the socialist legal system and upholding the rule of law is to constantly raise awareness and understanding of the law and the legal system among cadres and the masses. Thought is the guide to action. Cadres making policy decisions and administering affairs in accordance with the law constitutes an important component of the rule of law. Citizens consciously obeying the law and safeguarding national and personal interests on the basis of the law constitutes an important basis for the rule of law. The degree to which cadres and the masses abide by the law has a direct influence on the process of following the rule of law. Practical experience shows that when laws are unsound and the legal system has serious loopholes, bad people take every opportunity to do bad things and good people are unable to do as much good as they would. It also shows that no matter how good the laws and the legal system are, if people have a poor awareness and understanding of them and a low ideological and political level, they will not be observed, so they cannot have their intended effect and might even be widely ignored. Therefore, to strengthen the socialist legal system, we must undertake two tasks: we must strengthen legislation and constantly improve the legal system, and we must intensify education in legal knowledge and constantly improve the ability and willingness of cadres and the masses to abide by the law and act in accordance therewith. Neither of these tasks can be neglected; at no time can we emphasize one at the expense of the other. Therefore, when we enact laws, we must also unremittingly carry out publicity and education regarding the legal system. In the period of the Third Five-Year Plan for Promoting Legal Knowledge, from now till 2000, we must do everything possible to raise the legal awareness of cadres and the masses to a new level.

It takes a long time to establish a kind of concept and cultivate a kind of understanding. We must fully realize that publicity of and education in the legal system will be a long and difficult process, and one we must gradually institutionalize and standardize. In particular, leaders at all levels must intensify their study of the law and jurisprudence, strive to become more adept at employing legal methods to manage economic and social affairs, motivate cadres and the masses through the example of their own concrete actions, create a healthy atmosphere throughout society of studying and observing the law, and lay a firm ideological foundation for the rule of law.

The rule of law is an important standard of social progress and civilization and an inescapable requirement for building a modern, socialist country. As socialist democracy and the socialist legal system become stronger and a sound socialist market economy takes hold, the ability of the Party and government to implement the rule of law will constantly increase through the common efforts of the whole Party and all of society.

STRESS POLITICS*

March 3, 1996

Stressing politics is nothing new for a Marxist party. From our forerunners Karl Marx, Frederick Engels and Vladimir Ilyich Lenin, to comrades Mao Zedong and Deng Xiaoping, all great Marxist leaders have stressed politics. This is also a fine tradition of our Party. Why is it necessary to emphasize this issue now? The purpose is to help the entire Party put Deng's theory of building socialism with Chinese characteristics and the Party's basic line into practice more steadfastly, comprehensively and correctly, and achieve greater success in the country's reform, opening up and modernization.

Economic development was designated as our central task at the Third Plenary Session of the Eleventh Central Committee. The Party made this strategic policy decision based on a thorough review of past experience, and practice has shown it to be completely correct. The economy is the foundation, and the solution to all of China's problems depends, in the final system, on economic development. In this sense, concentrating on developing the economy and modernizing China is, in itself, the most significant political task. Therefore, whatever changes may occur in our situation, barring a large-scale foreign invasion, we need to hold to economic development as our central task, with absolutely no vacillation. While maintaining this focus, we must adhere to the two basic points — the Four Cardinal Principles and the reform and opening up policy. This too is an objective truth validated by practice. The purpose of upholding the two basic points is to ensure and promote the smooth execution of the central task of economic development and the attainment of the objectives of socialist modernization. Our country has succeeded in reform and opening up, and we must continue to achieve even greater success in order to constantly infuse vitality into economic and social development. Adhering to the Four Cardinal Principles is the most fundamental political condition for guaranteeing economic development and success in reform and opening up. We must continue to follow the Party's basic line for many years to come, including the principle of "one central task, two basic points," with no vacillation. It would be wrong to think that we can neglect our other work as long as we

* Excerpt from a speech at a meeting of leading Party members participating in the Fourth Session of the Eighth NPC and the Fourth Session of the Eighth CPPCC National Committee.

retain economic development as the central task, or that we will naturally make progress in other programs as long as the economy continues to develop. Such ideas and practices are out of synch with reality and are one-sided and harmful. We must learn to dialectically understand and balance the relationships between reform, development and stability, between the economy and politics, between material progress and cultural and ethical progress, between the productive forces and relations of production, and between the economic base and the superstructure.

Socialist modernization is of supreme political importance for us at present because it represents the greatest and most fundamental interests of the people. Comrade Deng raised this point and clearly explicated it not long after the reform and opening up policy was introduced. Economic development and modernization require political guarantees, as Comrade Deng noted and clearly stated at that time. While on an inspection tour of Tianjin in 1986, he also stressed, "We attach importance not only to reform and to modern science and technology but also to politics. This makes us much stronger. We have to lay great stress on politics at all times."[1] This is a very important statement. Lately, the Central Committee has emphasized the need to stress politics, meaning we must continue implementing this statement of Comrade Deng. This requirement for leading cadres to stress politics will absolutely not affect economic development, nor does it mean shifting the emphasis from the economy to politics. On the contrary, this requirement is intended to create even better political conditions and provide stronger political guarantees so that people across the country can work wholeheartedly to make economic development more sound and rapid. This stress on politics does not mean that China is reverting to the past by taking class struggle as the key link or by engaging in other "Left" deviations, though some overseas newspapers and periodicals have distorted it in this way. And it absolutely does not mean we are launching a political movement. Those newspapers and periodicals have ulterior motives for creating such a belief among the public, and our comrades need to be on the alert and not be hoodwinked by them. Such worries and doubts are not only unnecessary but also groundless. The fact that we stress politics does not mean that we are simply repeating political slogans or indulging in armchair politics. Instead, we intend to closely integrate political affairs with economic development and integrate political matters into all our undertakings, as Comrade Deng talked about long ago, to ensure that our economic work, as well as all our other work, proceeds more successfully

and in a more orderly fashion in the right direction.

The politics we are talking about is Marxist politics, the politics of building socialism with Chinese characteristics. As I said at the Fifth Plenary Session of the Fourteenth Central Committee, we must stress politics, which includes political orientation, stand, viewpoint, discipline, discernment and acuity. Politics is a concentrated manifestation of economic affairs and serves economic development. This is a basic tenet of Marxism. No economic matters are divorced from politics, and no political matters are divorced from economic matters. Without strong political guarantees, economic development cannot succeed. Only by stressing politics can we ensure that the Party's basic theory, line, principles and policies and the state's laws and regulations are correctly applied to economic development and all of our other work, guard against and eliminate interference from various erroneous ideas and tendencies, and maintain the correct development orientation. Only by stressing politics can we motivate, encourage and unite with the people of all our ethnic groups in diligent, concerted action to achieve the great objectives for economic and social development set by the Party and the state. Only by stressing politics can we appropriately understand and handle the two different types of social conflicts and effectively combat the disruptive activities of domestic and international hostile forces and all forms of crime, and create an excellent social and political environment for economic development. Only by stressing politics can we appropriately balance different interests, fully arouse the enthusiasm of all sectors of society, and effectively guide, preserve and unleash their enthusiasm. Only by stressing politics can we raise ideological and political standards among cadres, especially leading cadres at all levels, and improve their ability to assess and direct the overall situation, so that they can provide more effective leadership in economic development and modernization. Only by stressing politics can we steadfastly pursue the Party's purpose of serving the people wholeheartedly, ensure that the Party stays firmly united, and preserve firm solidarity and the close relationship between the Party and the people. In short, stressing politics is an essential requirement of the Party's basic theory and line and the great cause of building socialism with Chinese characteristics.

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[1] "Remarks During an Inspection Tour of Tianjin," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 169.

UNSWERVINGLY IMPLEMENT THE BASIC STATE POLICY ON FAMILY PLANNING*

March 10, 1996

This is the sixth forum on family planning work held by the Central Committee and the State Council. Since 1991, they have held these forums every year while the NPC and the National Committee of the CPPCC are in session, and these forums have played an important role in mobilizing the whole Party and all the people of the country to do family planning work well and achieve the goals for controlling the population.

1. Recognize the importance of the population problem from the strategic perspective of sustainable development

The Fourteenth Central Committee stated at its Fifth Plenary Session that we must make achieving sustainable development a major strategic principle in our modernization. Sustainable development means considering the needs of both present and future development and not sacrificing the interests of future generations to satisfy the interests of the present one. Achieving sustainable development is an inevitable requirement of the development of human society and has already become an important issue that many of the world's countries are addressing. China is the world's most populous developing country, so this issue is even more pressing for us.

Population is a major issue with broad implications. China is a large country with over a billion people, and this is a basic starting point when we address issues of economic and social development. Comrade Deng Xiaoping once said that our population policy is a major policy of strategic significance. To achieve sustainable development, we must first of all keep the population within reasonable limits. If the population explodes and gets out of proportion to the growth of the productive forces, not only will it be impossible to satisfy the needs of those now living, but resources and the environment will certainly also be destroyed, threatening the existence and development of future generations. We should understand that

* Speech at a central forum on family planning work.

population and economic development are very closely related, and that if we keep the population within bounds, we can reduce the pressure of overpopulation on economic development and raise the per capita GNP. Conversely, if we allow the population to explode, that will offset any gains resulting from economic development and make it very difficult for us to gain the initiative in ever-intensifying international competition. We need to prepare for danger in times of peace and thoroughly consider the long-term interests of the Chinese nation.

China has a large population and its per capita resources are relatively insufficient. This is an important factor constraining our economic and social development. China has 21% of the world's population, but only 7% of the world's arable land, and our population is increasing, while our arable land is shrinking. In the first four years of the Eighth Five-Year Plan period, our arable land shrank by an average of 333,000 hectares per year. At present, our per capita arable land is only 0.11 hectares, and in one quarter of our provinces, it is less than one fifteenth of a hectare. Although our total grain production is steadily growing, our per capita production is decreasing, while the population is constantly increasing. As people's lives improve, their demand for products derived from grain is growing. Therefore, in order to maintain the present level of grain consumption, we need to increase production by an average of ten billion kilograms per year in the Ninth Five-Year Plan period, approximately twice the annual increase over the last ten years. Meeting this quota will be a very difficult task. We also cannot underestimate the impact population increases have on the environment. These considerations all require us to give high priority to controlling the population, conserving resources and protecting the environment in order to create sound conditions for sustainable development for our future generations.

A good population environment means total population at an appropriate level, a high-quality population and a reasonable demographic structure. A good population environment is one that promotes the coordinated and sustainable development of the population, as well as the economy, society, the environment and resources. On the one hand, we need to make use of beneficial conditions provided by economic and social development, the universalization of education, and scientific and technological progress in our family planning work, and on the other hand, we need to do a good job in our family planning work to promote economic development and social progress and to help spread education

and raise the quality of our population.

Here I would like to emphasize the issue of healthy birth. This is an important matter directly bearing on whether the Chinese nation thrives. Healthy births are a prerequisite for raising the overall quality of the population, and an important, inseparable component of our population policy. There is hope for the future development of our nation and country only if all our children are comparatively healthy and intelligent at birth. Family planning and health departments and other related departments must conscientiously study the issue of healthy birth, widely disseminate popular scientific knowledge about it, effectively solve all kinds of practical problems affecting it, and truly do a good job ensuring healthy births.

2. Fully recognize how protracted and arduous our family planning work is and unswervingly do it more effectively

Our family planning work has achieved notable successes in the Eighth Five-Year Plan period, and excessive population growth has been brought under effective control. This is the result of the collective efforts of the whole Party and all the country's people, including everyone working on the frontlines of family planning.

While affirming our successes, we must also realize that the population trend leaves us no ground for complacency and that family planning is a long and difficult task. Our population base is too large, and even though we are implementing a policy of strictly limiting population growth, the net annual population growth during the Ninth Five-Year Plan period will be over 13 million people. Due to the influence of traditional thinking and current economic and social factors, there is a gap between the desires of rural residents for more children and the requirements of our family planning policy. Family planning work is progressing unevenly in different regions, and it is more difficult in poor and remote areas in the central and western regions. Family planning work in rural communities, especially in villages, is relatively weak, and in some places people can do pretty much as they like. Population statistics suffer severely from misreporting and underreporting. Family planning work in urban communities also faces a number of new situations and problems, and improvements urgently need to be made in family planning work concerning the floating population. In short, the current low birthrate is very unstable and if we slacken our efforts in the slightest, it could rise again. Therefore, leaders at all levels must fully realize how protracted and difficult our family planning work is; unswerv-

ingly implement the basic state policy on family planning; and conscientiously carry out its policy of giving priority to publicity, education, contraception and routine work. They must not let successes in family planning work make them become over-optimistic or careless.

We have set the goal of quadrupling our 1980 per capita GNP by 2000 under the assumption that our population will have grown by about 300 million in the interim. Whether we achieve this objective will be determined partly by economic development and partly by population control. Neither area can be neglected. We need to keep our population under 1.3 billion in 2000 and under 1.4 billion in 2010. This is an important condition for achieving our objectives for the next 15 years. We need to be responsible to the people, the future and our future generations; continue to do a good job in our family planning work; and ensure we reach our population control objectives. The heads of Party and government departments at all levels must personally assume overall responsibility for family planning work. This is an important lesson learned from many years' experience. Leading cadres at all levels need to conscientiously implement the Program for China's Family Planning Work;[1] constantly deepen their understanding of the population issue; correctly balance the population issue and economic and other work; and do their family planning work more purposefully, effectively and perseveringly. Party committees and governments at all levels should organize and coordinate the work of relevant departments and mass organizations on problems of population control to implement comprehensive solutions, progressively increase spending on family planning undertakings, implement all policies and measures, and stabilize and strengthen family planning departments at all levels. Publicity departments need to continue to coordinate with other relevant departments in doing extensive and thorough publicity work concerning population and family planning, and strengthen their guidance of public opinion in the right orientation. Public security and other departments need to strengthen supervision of household registration and management of family planning for the floating population. Organization departments need to bring the state of population and family planning work within the content and criteria by which leading cadres' performance is evaluated and establish a corresponding system of rewards and punishments. Family planning work in rural communities needs to target the areas of agencies, personnel and incentives.

3. Adhere to the Party's mass line, do the "three integrations" of family planning work well and comprehensively solve existing problems in controlling the population

In our country's vast countryside, the "three integrations" — integrating family planning with economic development, helping farmers improve their lot through hard work and achieve a moderately prosperous standard of living, and creating civilized and happy families — are practices created by cadres and the masses, as well as important reforms and manifestations of the Party's mass line in family planning work. The slogan "Flourish more quickly with fewer children and achieve moderate prosperity" receives strong endorsement from the vast rural population. Popularizing the "three integrations" has made it possible for women to work more and increase their incomes, and has therefore helped to raise women's status in society and had far-reaching significance for achieving further equality between men and women and changing attitudes about bearing children. Party committees and governments at all levels need to fully understand the significance of the "three integrations" and coordinate and organize relevant departments to constantly expand them further.

The China Family Planning Association has been in existence for 15 years. Today, family planning associations at all levels in urban and rural areas all over the country have become an important force in mobilizing and organizing the masses to participate in family planning work. Party committees and governments at all levels need to get family planning associations, trade unions, the Communist Youth League, women's federations and other mass organizations to play a greater role in family planning work and support them in exercising their unique strengths and working creatively.

This is the first year of the Ninth Five-Year Plan, a year for laying the foundation for family planning work in the Ninth Five-Year Plan period. Leading cadres at all levels need to unite with and lead the masses in unswervingly implementing the basic state policy on family planning, control the population size, raise the population quality, strive to hold our population within 1.3 billion and completely achieve our objectives for the second step of the strategic plan for socialist modernization in 2000.

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[1] The Program for China's Family Planning Work (1995-2000) was written by the State Family Planning Commission and endorsed and transmitted by the State Council on January 14, 1995.

ERECT A NEW HISTORICAL MONUMENT TO LASTING SINO-AFRICAN FRIENDSHIP*

May 13, 1996

It gives me great pleasure to have this opportunity to meet with all of you here today. I would like to express to you, and through you to all the governments and peoples of Africa, the warmest greetings and best wishes of the Chinese government and people.

My colleagues and I felt the warm, enthusiastic and friendly atmosphere from the moment we set foot on the beautiful continent of Africa. We Chinese have an old saying, "Distance cannot separate true friends, They feel close even when they are thousands of miles apart."[1] China and Africa are separated by numerous mountains and rivers, but our hearts are close.

China and Africa are both cradles of the earliest human civilizations. These two ancient civilizations first made contact with each other some 2,000 years ago. Trade and cultural exchanges between China and Africa entered a period of rapid development in the 8th century. The famous Chinese navigator Zheng He[2] of the Ming Dynasty reached the east coast of Africa in the 15th century. Friendly exchanges between the people of China and Africa date back to ancient times, and there has never been a conflict between China and any African country.

China and Africa have both had similar experiences of tremendous suffering from colonialism and foreign aggression. In our respective prolonged struggles for national independence and liberation, we have always sympathized with and supported each other. We will never forget the courageous resistance of the Ethiopian people against the Italian aggressors or the important contributions of Africans to the defeat of fascist Germany, Italy and Japan which gave tremendous encouragement and support to the Chinese people in their resistance against Japanese aggression.

Both China and Africa opened brilliant chapters in their development after the end of World War II. With the birth of the People's Republic of China and the independence from colonial rule by a succession of African

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* Speech delivered at the headquarters of the Organization of African Unity in Addis Ababa, Ethiopia, while visiting Africa.

countries, Sino-African relations entered a new period of overall development. The older generation of leaders of New China and the forerunners of the African national liberation movement joined hands in building a solid foundation for Sino-African friendship and cooperation. Chairman Mao Zedong said, "All our African friends are greatly valued by the Chinese people. We have good relations with the people of all African countries, whether they are independent or still struggling to gain independence."[3] For nearly 40 years now, Chinese leaders have paid many visits to Africa and paid visits to scores of African countries, and over 100 leaders from more than 40 African countries have visited China. Frequent high-level exchanges of visits have brought about steady and fruitful development of Sino-African friendship and cooperation.

I hope to accomplish several things on this trip to Africa. First of all, I want to learn from the African people, enhance our mutual understanding and deepen our friendship. Second, I want to tell the governments and peoples of Africa that maintaining lasting friendship with the countries of Africa is a constant basic principle of the Chinese government and the abiding wish of the Chinese people. And third, I would like to discuss matters of common interest with our African friends with a view to strengthening the traditional friendship and cooperation between China and Africa under these new circumstances.

The post-Cold War world can be generally summed up as a period of tremendous, complicated and profound changes. The international situation is on the whole now becoming less tense as multipolarization quickens. The world needs peace; countries need stability; economies require development, and societies need progress. This has become a major theme in today's world. Developing countries, where the bulk of the world's population lives, are growing stronger politically while generally also experiencing faster economic growth and increasing their share of the world economy. They are also demanding a bigger say in international affairs. They are the main force for maintaining world peace and promoting the establishment of a just and equitable new international political and economic order. However, hegemonism and power politics still present a threat; the world is still not a tranquil place; the gap between rich and poor countries is widening; and human survival and development face a variety of threats. In short, the evolving international situation presents us with both opportunities and challenges.

Looking around the African continent, we see that the shock waves

caused by the drastic changes in the post-Cold War world have become, by and large, a thing of the past. We are pleased to see that political stability has returned to most countries. The birth of the new South Africa marked the completion of political liberation in Africa. Major strides have been made in strengthening regional cooperation, and both the demand for and the trend toward strength through unity are growing. Many countries are working hard to explore political models and developmental paths suited to their conditions. Africa is entering a new historical period in which it is pursuing peace, stability and development. There are 53 countries in Africa, and they account for about half of the membership in the Non-Aligned Movement[4] and nearly one third of United Nations membership. Africa has always been an important force in preserving world peace and stability. With its vast land area rich in natural resources, Africa has huge potential for economic development. The stability and development of Africa are essential for the peace and prosperity of the world. Africa has a weak economic base as a result of hundreds of years of colonial exploitation and plunder, and its development is hindered by many unfavorable external factors resulting from the lack of fundamental changes to the unjust and inequitable international economic order left over from the past. At present, the African economy as a whole is not doing well, and there is still a long way to go before Africa can prosper economically. I am confident, however, that the persevering and pioneering spirit of the peoples of all African countries will surely help them to overcome their difficulties so they can accelerate their progress toward a future full of hope.

For more than three decades, the Organization of African Unity[5] has been a symbol of African solidarity and has dedicated itself to the political liberation and economic development of Africa. In this new situation, it will play an even greater role in achieving African peace and stability, maintaining African unity, and promoting African economic development and integration. The Chinese government and people have always supported the work of the Organization of African Unity and are ready to further strengthen their solidarity and cooperation with it.

During the 20th century, which is drawing to a close, the Chinese people accomplished two great deeds under the leadership of the CPC. In the first half of the century, they founded New China following a hard struggle that ended in the epoch-making victory in the new-democratic revolution. In the second half, they took decisive steps toward building a prosperous and strong country under socialism with Chinese characteristics. The

Chinese government and people now face three main tasks: modernization, national reunification and preservation of world peace. We will continue to unswervingly pursue our independent foreign policy of peace, keep economic development as our central task, and persevere in implementing the reform and opening up policy. By the year 2000, our population will be 300 million more than in 1980, but our per capita GNP will be four times the 1980 level, allowing our people to lead a moderately prosperous life, and we will have created the rudiments of our socialist market economy. Between 2000 and 2010, our GNP will double again. In the next three years or so, the Chinese government will resume its exercise of sovereignty over Hong Kong and then Macao. This provides eloquent proof that the Chinese people are fully capable and confident in their efforts to remove any barriers to achieving the great cause of national reunification.

China's reform and opening up policy and latest plan for economic and social development were formulated in line with its national conditions and the characteristics of the times. Their aim is to further liberate and develop the productive forces, improve the people's living standards and increase overall national strength. Our own experience has shown that we need to pay close attention to correctly balancing reform, development and stability in order to ensure sustained, rapid and sound economic development. Reform gives a powerful impetus to economic and social development. Stability is an important prerequisite for both reform and development. Without political stability, ethnic unity and social tranquility, smooth progress in reform and rapid economic development would be difficult. We must also balance opening wider to the outside world and retaining our self-reliance. We need to actively promote regional economic cooperation and extensive international economic and trade exchanges on the basis of self-reliance. The importation of advanced technologies should be combined with domestic development and technological innovation to produce our own technological advantages. While making use of foreign capital, we must also build up our own capital in order to quickly narrow the economic gap between China and developed countries. In addition, we have made reinvigoration of the country through science and education, family planning and environmental protection basic state policies in order to implement a strategy of sustainable development and promote all-round social progress.

China's development provides even more favorable conditions and opens up even brighter prospects for Sino-African friendship and cooperation. At this historical juncture at the turn of a new century I would like to

solemnly declare, on behalf of the Chinese government and people, that China is ready to strengthen and develop its long-term stable relationship of cooperation in all areas with all African countries, a relationship geared to the 21st century and based on the Five Principles of Peaceful Coexistence. Let us work together to erect a new historical monument to lasting Sino-African friendship. To this end, I would like to offer the following proposals and observations.

1. China and Africa should develop their relationship into a sincere friendship and become each other's reliable, all-weather friend. We have had similar experiences in the past and face common tasks today. Africa needs China just as China needs Africa. Sino-African friendship has a strong foundation, has been passed down from generation to generation and has withstood the test of time. Neither the passage of time, changes in the world nor shifts in world politics will ever alter our friendship.

2. China and Africa should treat each other as equals, respect each other's sovereignty and refrain from interfering in each other's internal affairs. China will, as always, respect the national characteristics, religious beliefs and cultural traditions of African countries, and respect the political systems and development paths they have chosen of their own will and in light of their own national conditions. We will also support them in their just struggle for national independence, sovereignty and dignity and in their efforts to preserve domestic stability and unity, invigorate their national economies and promote social progress. As for differences and disputes among African countries, we have always advocated African countries settling them themselves through peaceful negotiation without external interference and have supported them in doing so.

3. China and Africa should pursue common development on the basis of mutual benefit. China steadfastly supports the economic development of African countries and will continue to provide whatever government assistance to them it can with no political strings attached. The two sides should work closely together to expand the types of joint investment and cooperative assistance projects that China has traditionally provided. We will encourage Chinese and African enterprises to cooperate with each other, in particular by encouraging Chinese enterprises and companies with adequate economic resources to set up mutually beneficial cooperative ventures of various scopes and types in a variety of areas on the basis of the principles of honoring commitments, guaranteeing quality and acting in good faith. We will expand trade channels and increase imports from

Africa in order to promote balanced and rapid growth of trade between China and Africa.

4. China and Africa should expand consultation and cooperate closely in international affairs. China and African countries have long maintained a tradition of cooperation in the United Nations and other international arenas, stood together through thick and thin, supported each other, and made positive contributions to safeguarding world peace and upholding the legitimate rights and interests of developing countries. Chinese and African leaders should increase their contacts. China will unswervingly support fairness and justice for African countries. We believe that African countries should have the right to participate in international affairs on an equal footing with other countries. We call on the international community to earnestly listen to the voice of Africa and urge the United Nations and other international agencies to respect the opinions of African countries and the Organization of African Unity. We call on the international community, developed countries in particular, to truly help African countries reduce their debt burden and improve the external environment for development, thereby contributing to sustained growth of the global economy and trade. Development of friendship and cooperation between China and Africa will set a good example for South-South cooperation and international cooperation.

5. China and Africa should look to the future and work to create a better world. They should join hands and work together with all peace-loving countries and peoples of the world to go with the tide of history, respond to the call of the times, and contribute even more to establishing a just and equitable new international political and economic order based on the Five Principles of Peaceful Coexistence as soon as possible and to advancing the lofty cause of world peace, development and progress.

Just over a month ago, the Chinese government signed a protocol concerning the African Nuclear-Weapon-Free Zone Treaty without conditions or reservations. This is a further demonstration of China's unfailing support for Africa's just actions as well as its sincere friendship with the African people. China has all along advocated the complete prohibition and complete destruction of nuclear weapons, and has always attached great importance to and taken an active part in negotiations for the Comprehensive Test Ban Treaty in the hopes of concluding a good treaty this year. China is ready to join with African countries and all other peace-loving countries in an unremitting effort to promote nuclear disarmament

and achieve the ultimate goal of comprehensive prohibition and complete destruction of nuclear weapons worldwide.

Over the last century, the African people engaged in a courageous struggle for independence and liberation, which resulted in more than 600 million Africans achieving the great goal of political liberation and the establishment of 53 independent states on the African continent, a historic leap in Africa's social progress. The past century has been inscribed in the annals of African history as a century of liberation.

Over the next century, the economies of the African countries are certain to gradually take off and the countries of Africa will make another historic leap in social progress by relying on both their own efforts and assistance from the international community. The coming century will be recorded in the annals of Africa's history as a century of development.

One can predict that a united, stable and prosperous new Africa will not only mean economic liberation for the politically emancipated African people, but also represent a tremendous contribution by Africa to world peace and development and human civilization and progress.

We have an unforgettable common past. The great friendship formed between China and Africa during their long common struggle has already been engraved in the annals of the world's development and inscribed in the hearts of the peoples of China and Africa. We live in a bright and vibrant present in which the peoples of China and Africa cherish their flourishing friendship. We also have a vigorous and vital tomorrow, in which the wheels of time will surely propel Sino-African friendship to a new level. China, the world's largest developing country, is ready to work with Africa, the world's largest developing continent, through good weather and bad, and through good times and bad, as we confidently make our way into the 21st century.

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[1] ZhangJiuling (678-740), Tang Dynasty, "In Farewell to Vice-Prefect Li of Weicheng County."

[2] Zheng He (1371-1433), a native of Kunyang (now Jinning), Yunnan Province, was a navigator during the Ming Dynasty. He entered palace service in the early years of the dynasty and later became Grand Eunuch. Between 1405 and 1433, he led large fleets on seven expeditions as an envoy to Asian and African countries. He visited more than 30 countries and regions in Southeast Asia and along the coasts of the Indian Ocean and the Red Sea (waters then known as the western oceans), venturing as far as the east coast of Africa and Islam's holy city of Mecca. Zheng's exploits were recorded in Chinese history as Zheng He's explorations of the western oceans. His long voyages promoted economic and cultural exchanges between China and Asian and African countries.

[3] "The People of All African Countries Are Our Friends," *Collected Works of Mao Zedong,* Chin. ed., People's Publishing House, Beijing, 1999, Vol. VIII, p. 317.

[4] "Accelerate Reform, Opening Up and Modernization and Achieve Greater Success in Building Socialism with Chinese Characteristics," note 2, p. 244, this volume.

[5] The Organization of African Unity (OAU) was a regional organization composed of independent African countries. It was established on May 25, 1963, when 31 African countries passed the Charter of the Organization of the African Unity in Addis Ababa, Ethiopia. The purposes of the organization were: to promote unity and solidarity among African countries; to better coordinate the efforts of African countries to raise the living standards of their peoples; to defend the independence, sovereignty and territorial integrity of African countries; to root out all forms of colonialism from the African continent; and to promote international cooperation. The OAU held its fourth extraordinary session of leaders in Sirte, Libya, on September 9-10, 1999 and decided to set up the African Union to accelerate the process of the political and economic integration of Africa. On July 8, 2002, leaders and representatives from 52 member countries met in Durban, South Africa for the last summit meeting of the OAU. The next day they held a ceremony celebrating the founding of the African Union and its first summit meeting, completing the transition from the OAU to the African Union.

PROTECT THE ENVIRONMENT AND IMPLEMENT THE STRATEGY OF SUSTAINABLE DEVELOPMENT*

July 16, 1996

Environmental protection is very important and is an overall strategic issue concerning our country's long-term development. In the socialist modernization drive, we must always take implementation of the strategy of sustainable development as a matter of the utmost importance. The concept of sustainable development has its origins in environmental protection, and it is now an overall strategy guiding many countries' economic and social development. Economic development must be considered in conjunction with the population, resources and the environment. We cannot just make plans for current development, but must also consider future generations and create better conditions for future development. We absolutely cannot squander resources and cause pollution that has to be cleaned up later. It would be even worse to squander our heritage, leaving our future generations with nothing.

China has a large population, comparatively few resources per capita, a low level of science and technology, and a relatively weak economic and technological foundation, and it faces formidable tasks in protecting the ecosystem. Therefore, we must strive for economic and social development that requires little capital, consumes few resources, has high economic and social benefits, and is environmentally friendly. If we do not consider environmental protection in our development and wait till we have despoiled the ecosystem and then think about repairing the damage, we will pay a much higher price and perhaps even cause irreparable harm.

The implementation of a sustainable development strategy based on China's actual conditions requires diligently doing the following work. First, we must always conserve water, land, energy, materials, grain and all other resources. Agriculture needs to be high-yield, high-quality and high-efficiency and to consume few resources. Industry needs to concentrate on improving quality, decreasing consumption and increasing productiv-

* Speech at the Fourth National Conference on Environmental Protection.

ity. Tertiary industry needs to develop in conjunction with primary and secondary industries. Second, we need to continue to control population growth and comprehensively raise the quality of the population. Third, we need to keep consumption patterns reasonable, and beneficial to environmental and resource conservation. We cannot allow consumption that outstrips the development level of our productive forces or wastes resources. Fourth, we need to intensify publicity and education concerning environmental protection and get cadres and the masses to consciously pay attention to protecting the ecosystem. Fifth, we need to resolutely halt and reverse the trend in some localities of destroying resources and degrading the ecosystem.

Some of our comrades neglect environmental protection, thinking it can be temporarily put aside until after the economy has developed. This kind of thinking is both wrong and harmful. Looking at other countries' development, we learn the sobering lesson that many economically developed countries took the path of wasting enormous quantities of resources and generating pollution that had to be cleaned up later, with the result that they inflicted grievous damage on the world's resources and ecosystem. We absolutely cannot take this path. Our economic and social development should be based on optimizing our industrial structure and harmonizing the economy, society and the environment. Objective facts show that when economic growth is based on blindly expanding the scope of investment and indiscriminately launching projects, the faster the economy grows, the more resources are wasted, the more environmental pollution and ecological degradation occur, and the less sustainable development becomes. This is unacceptable. I have said many times that areas with suitable conditions may develop somewhat faster, but we must never forget that faster development cannot come at the price of wasting resources and sacrificing the environment. Economic development in any locality must focus on improving quality and performance and optimizing structure, and be based on a virtuous ecological cycle. This is the only way for development to become sound and sustainable.

Controlling population growth and protecting the ecosystem are basic state policies that the whole Party and all the people of the country must adhere to long into the future. At the Fifth Plenary Session of the Fourteenth Central Committee, it was clearly stated that we need to fundamentally restructure the economy, transform the pattern of economic growth, and implement the strategies of reinvigorating the country

through science and education and carrying out sustainable development. All this provides reliable assurances for protecting the ecosystem in the course of development.

Historical experience teaches us that ensuring environmental security requires controlling the total amount of pollutants discharged. Our Ninth Five-Year Plan sets the goals of maintaining annual economic growth of about 8%, basically stopping the trend of worsening environmental pollution and ecological degradation by 2000, and improving the environmental quality of some cities and regions. This is a very daunting task, and we must work hard to achieve it. The first step in achieving it is tightening environmental management in urban and rural areas. However, what is most fundamental is to rely on restructuring the economy, transforming the pattern of economic growth, and balancing the pace and benefits of growth to decrease the amount of pollution generated and quantity of resources consumed per unit of GNP, and thus reduce the harm to the ecosystem. Economic policies have a huge impact on the environment. We need to establish mechanisms through macroregulation for coordinating environmental and development policies. When formulating important policies for economic and social development, planning the exploitation of key resources and approving major projects, we must weigh the pros and cons from both the development and environmental perspectives and make appropriate decisions on that basis. In this way, we can prevent environmental pollution and ecological degradation at their source. At the same time, all industries and sectors of society need to intensify environmental protection and management and work together effectively to ensure smooth achievements of targets for limiting the total amount of pollutants discharged.

Our country's environmental protection work has already made considerable progress. While acknowledging our accomplishments, we have to clearly see that China's present environmental situation is quite serious. Urban environmental pollution is worsening and spilling over into rural areas, and the scope of ecological degradation is widening. We need to recognize that environmental protection is, in essence, protection of the productive forces, and we must continue to strengthen this work. The level of environmental awareness and environmental quality are important criteria for assessing the level of civilization of a country and its people. At present, environmental issues affect international politics, economics, trade and culture. We are willing to actively contribute to protecting the global environment, but cannot promise to assume obligations disproportionate to our

level of development. Naturally, developed countries should bear more responsibility in this regard. We firmly oppose some developed countries' so-called environmental diplomacy that uses environmental issues as a pretext to interfere in other countries' internal affairs. As we open up wider and attract more foreign investment, we must do our environmental protection work well and improve the investment environment. At the same time, we must prevent some overseas parties from bringing heavily polluting projects to China and using China as a garbage dump. We must never jeopardize the overall interests of our country and nation or do harm to future generations in order to obtain immediate and limited benefits.

Environmental issues have a direct bearing on the daily lives and the physical and mental health of the people. If we do not protect the environment well, the people's living conditions will be affected, even to the extent of causing outbreaks of disease. We must promptly clean up any existing environmental pollution that already seriously affects the people's daily lives and endangers their physical and mental health. During the Ninth Five-Year Plan period, we will focus on a number of projects for improving the environment; resolving outstanding environmental problems in some key regions, river basins and other localities; and ensuring that the environmental quality in some cities and regions improves.

Party committees and governments at all levels need to place environmental protection work high on their agendas, listen to annual environmental reports, and promptly investigate and solve problems as they arise. This practice needs to be institutionalized. We need to create conditions that enable environmental protection agencies to strictly enforce the law and establish sound, effective mechanisms for overseeing and managing environmental protection. Leading cadres at all levels need to set an example in observing environmental protection laws and regulations and back up environmental protection agencies in strictly enforcing the law. Party committees and governments at all levels should take safeguarding the overall, long-term interests of the Chinese nation as their starting point and strictly and effectively protect the environment. We need to intimately integrate implementation of the strategy of reinvigorating the country through science and education and implementation of the strategy of sustainable development. The solutions to many environmental protection problems depend on making scientific and technological progress and raising the quality of the people. Performance evaluations of leading cadres should include an environmental component. If we protect the environment as we

develop economically, the people will be even more satisfied and they will support the work of the government and the Party even more.

Enterprises are an important force in environmental protection. All enterprises need to enforce discipline, observe the law, engage in production in a civilized manner, and create a positive corporate image. All cadres and the masses need to raise their environmental consciousness and actively participate in environmental protection. We also need to make full use of environmental publicity and education and the oversight role of public opinion. We believe that if the whole Party and all of society are concerned about and support environmental protection, then our country's environmental affairs will be full of hope.

In short, environmental protection is a noble cause, and one that accumulates virtue, makes a contribution today and yields benefits long into the future. This work brings credit on those who do it. I hope that those of you comrades active on the frontlines of environmental protection will redouble your efforts to do even better work and achieve even greater success.

EFFECTIVELY GUARD AGAINST RISKS IN ECONOMIC DEVELOPMENT*

August 6, 1996

At the beginning of this year, the Central Committee's Leading Group for Financial and Economic Affairs recommended doing research on forecasting risks to our country's economic development and devising countermeasures. Relevant departments and research departments took this task very seriously and conducted many investigations and studies on this issue for more than six months. Over the past two days, we listened to reports from the Ministry of Finance, People's Bank, State Planning Commission and Ministry of Labor on the state of public finance, banking, foreign debt, and labor and employment, and we will arrange for reports from other departments later. Below, I would like to make a number of suggestions.

1. Fully realize the importance of forecasting risks in economic development and devising countermeasures

Conducting research on guarding against economic risks is an important task in these new circumstances. The issue of guarding against economic risks has been raised to ensure our country's economic security. This work mainly involves observing, forecasting and analyzing the risks our country's economic development might encounter from a macro, comprehensive and long-term strategic perspective, together with proposing countermeasures. This work has both great practical and far-reaching significance. It has a direct bearing on the smooth progress of our country's reform, opening up and modernization, on preserving our economic initiative and independence, as well as our state sovereignty and security as we open to the outside world, and on safeguarding the fundamental interests of the state, the nation and the people.

Since the Third Plenary Session of the Eleventh Central Committee, we have achieved great historic success in reform, opening up and socialist modernization. Particularly in the Eighth Five-Year Plan period, we made outstanding progress in reform and opening up, and modernization entered a new phase. This is obvious to everyone at home and abroad, and

* Speech at a meeting of the Central Committee's Leading Group for Financial and Economic Affairs.

we must fully affirm our achievements. At the same time however, we must realize that reform, opening up and modernization are new undertakings unprecedented in our history and are now at a very important juncture in the complex domestic and international situations. Domestically, the economic system and pattern of economic growth are in flux, and we still need to make further progress in solving a number of difficult and deep-seated problems in economic development. Internationally, as economic globalization and regional economic integration progress, international economic competition is growing increasingly fierce, contacts and interactions between our economy and the world economy are becoming ever more frequent, and the risks we face may become greater. All signs indicate that international hostile forces are not willing to let our country become strong. They will not only continue to do everything in their power to advance their political strategy of trying to westernize or divide our country, but also adopt any possible means to contain or dominate us economically. Under such domestic and international circumstances, the pursuit of reform, opening up and modernization will inevitably encounter various risks. Therefore, we always need to keep our heads clear and have contingency plans.

Many countries in the world attach great importance to their national economic security and guard against economic risks. Based on my understanding, in the United States, responsibility for national economic security has always been exercised by an economic security group under the National Security Council. After President Clinton[1] took office, the National Economic Council and the President's Council of Economic Advisers were established, and they took joint charge of national economic security. Since the late 1970s, Japan has followed a comprehensive security guarantee strategy centered on economic security to safeguard national security, and it created a council of cabinet members to ensure comprehensive security. In 1986, the Japanese Diet passed the Security Council Enabling Law, employing legislative means to implement the strategy to ensure national security. This April, Russia also formulated a national economic security strategy and clearly stated the main principles, key areas, policies and measures for safeguarding national economic security. Taking seriously the need to ward off economic risks is even more necessary for China, a large country with such a huge population in the middle of modernization while developing a socialist market economy and opening to the outside world.

Comrade Deng Xiaoping repeatedly said that reform, opening up and

modernization will encounter risks and difficulties, including those brought on by our own mistakes. He also stressed the need to be bold and not to be afraid of some risk, since otherwise we will never accomplish the four modernizations. He also noted, "We should base our work on the possible emergence of serious problems and prepare for them. In this way, even if the worst should happen, the sky will not fall."[2] We must face risks boldly and squarely, deal with them correctly, and guard against them with a positive attitude. We need to do our work confidently and be fully cognizant of beneficial conditions, but not be blindly optimistic. We need to encourage everyone to explore boldly, while being careful to analyze possible risks in order to keep large losses from occurring.

An ancient saying goes, "In all things success depends on previous preparation, and without such previous preparation there is sure to be failure."[3] Another states, "He who worries much is safe, but he who worries not at all is in danger."[4] We need to stand higher, see further, and make scientific forecasts and correct judgments about economic risks that might arise as we move forward in order to be able to take preventive measures and always occupy an impregnable position. Otherwise, once we encounter risks and unforeseen situations, we will sink into passivity and thereby be in danger and suffer losses. We also need to see that the issue of economic risks is not limited to the economic field, but often directly affects social and political stability. Therefore, we need to address economic risks from a political perspective.

In forecasting risks in our economic development and doing research on countermeasures, our fundamental starting point and objective are to adhere to our Party's basic line of "one central task, two basic points" and the basic principles of seizing opportunities, deepening reform, opening up wider, stimulating development and maintaining stability; make greater progress in reform, opening up and modernization; become better able to control all aspects of economic work; learn to handle all kinds of risks as we proceed; protect ourselves well and develop and strengthen ourselves; and safeguard the fundamental interests of the state, nation and people. Currently, we may appear indecisive when devising certain policies for reform, opening up and economic development — we cannot always quickly make policy decisions or clarify what should be limited or prohibited and what should be encouraged and opened up. An important reason for this is that we lack a thorough understanding and incisive analysis of issues and risk factors. Forecasting risks in our eco-

nomic development, doing research on countermeasures, grounding ourselves in reality, taking a long-term view, promptly reviewing experience and getting to the crux of problems will help us correctly decide major policies, nip problems in the bud, maximize gains while minimizing losses, implement the Party's line, principles and policies more purposefully and resolutely, and avoid one-sidedness and blindness.

2. Conscientiously research and guard against a number of risks in our country's economic development

There are indeed a number of outstanding conflicts and problems in our country's economic development that affect the overall situation and deserve our attention and study. We must address them earnestly; otherwise risks and dangers will arise. The main problems are in the following areas.

1) Public finance and banking. Since the beginning of reform and opening up, and especially in the last several years, reform of our country's public finance, taxation, banking and foreign currency systems have made great progress and played an important positive role in strengthening and improving macro-control and promoting overall reform, opening up and economic development. However, for many years, the country's financial resources have been dispersed, revenue growth has lagged behind economic growth, state fiscal revenues have fallen as a percentage of GNP, central treasury revenues have fallen as a percentage of total fiscal revenues, disparities between revenues and expenditures have become more prominent each year, the scale of deficits has constantly grown, and our debt burden has become heavier and heavier. It will be very difficult to fundamentally alter these trends in the near future. Fiscal difficulties affect government expenditures in all areas, the state lacks the financial resources to replenish state capital, and we lack the financial resources to exercise macro-control. If this situation continues, not only will the government be unable to effectively perform its functions, but also the leading position of the state sector of the economy will lack needed capital guarantees. In the long term, these problems will directly weaken the socialist system's economic base and the stability of state power. Banking is an important component of a modern economy. It plays an ever more important role as the socialist market economy develops. However, the quality of assets is poor at some state-owned commercial banks at present, these banks are burdened with a large quantity of nonperforming loans, and some non-bank financial institutions are insolvent. If these problems are allowed to grow, banks will

face a payment crisis, potentially even leading to a system-wide, regional financial disturbance, devaluation of the yuan and runaway inflation. In recent years, international financial markets have been volatile and a series of major financial crises have occurred, and this deserves our vigilance. We must take further effective measures to invigorate state finances and guard against major financial risks.

2) Foreign debt and foreign capital. Securing foreign loans and attracting foreign direct investment are an important aspect of our opening up policy. Since the start of reform and opening up, our country has had great success in securing foreign loans and attracting foreign investment. These funds have offset domestic capital shortfalls to finance development, raised our technological and managerial levels, and increased employment. At the same time, a number of problems have arisen that require close attention. Although all our major foreign debt indexes are presently within the international security limit, a significant number of projects funded by foreign loans are performing poorly and we are not optimistic about their loan repayment situation. New conflicts and problems have also appeared with respect to foreign direct investment. For example, some foreign corporations are seeking to control some important industries and the markets for key products, it is likely that foreign businesses will take the lion's share of profits from highly profitable industries and the markets for name brand products, and a small number of foreign businesses speculate in SOEs. If these situations are allowed to develop, it will create more difficulties for SOEs undergoing institutional transformation and possibly affect our ability to maintain our economic independence. Undoubtedly, we must steadfastly implement the basic state policy of opening up and continue to actively seek foreign loans and attract foreign investment. However, we must conscientiously review our experience and do better in this area. In borrowing, using and repaying foreign loans, we need to consider the overall picture in order to borrow wisely, use borrowed funds effectively and repay them without fail. In attracting foreign investment, what is most important is avoiding one-sidedness in our thinking and actions. We need to both fully consider the benefits foreign capital will bring and be clearly aware of any negative influences it might have. In particular, we must remain vigilant against attempts to monopolize our country's markets or control its economic lifeblood or key areas of the economy. We need to adopt effective measures to continue to actively, reasonably and effectively use foreign capital, correctly guide and supervise foreign investment activities,

and significantly raise SOE competitiveness. We need to promulgate clear, specific regulations on areas and industries where foreign businesses may operate or where we are relaxing restrictions on their operations, on areas and industries where foreign businesses are allowed to operate with some restrictions, and on areas and industries where their operations are prohibited. All industries, departments and regions must conscientiously observe these regulations. Through decades of hard work, we have already created an independent and relatively complete industrial system and national economic system. They form the foundation for maintaining our independence and achieving socialist modernization. Experience proves there is no assurance of political independence without economic independence. The lessons from some developing countries in this regard are very telling.

3) Job creation and labor mobility. Our country has more than 1.2 billion people, and its labor force is rapidly increasing, so we are under great pressure to create jobs in both urban and rural areas. Since the beginning of reform and opening up, the economy has developed, generating many jobs in the process. However, at present and for some time to come, the problem of creating enough jobs will remain acute. At present, registered urban unemployment has already reached 5.2 million; 6.6 million workers have been laid off by enterprises that have either closed or reduced production; 22 million people are classified in the categories of either disguised unemployed or underemployed; and there are 130 million surplus farm laborers in need of nonagricultural work in cities. It can be said that one of the thorniest problems in deepening economic restructuring and changing the pattern of economic growth is finding jobs for everyone. At present, 60 million rural workers are engaged in migrant work, many of whom are working in large and medium-sized cities. This increases those cities' social supervision burden and aggravates the difficulties of social management. Law and order is currently not good, and crime is a serious problem in some localities. These problems have a direct relation to high underemployment rates and the blind movement of migrants. Many countries in the world make solving their employment problems an important objective of economic and social development, and this is especially applicable to China. We need to focus on beneficial conditions for making full use of our abundant labor resources and convert pressure to create more jobs into a stimulus to develop the economy. At the same time, we need to prudently make arrangements for unemployed workers and manage workforce movement. We especially need to make arrangements for redundant

workers of SOEs, help surplus farm laborers find nonagricultural work as close to their homes as possible through various means, and ensure that the movement of surplus urban and rural labor is rational and orderly.

4) Income distribution and regional disparities. This problem directly affects the vital interests of the people and thus economic development and social stability. Since the beginning of reform and opening up, living standards among both urban and rural residents have risen, and the economies of all regions have grown dramatically. However, a number of prominent conflicts and problems have emerged, most important among which is that income disparities between different members of society and between different regions have grown significantly, and the fact that in some monopoly industries personal incomes have grown too fast. The growing disparity in economic development among regions has already been widely noted both at home and abroad. We must realize that the widening gap between rich and poor is not just an economic problem, but also a political one. The experience of some other developing countries demonstrates that when income disparities between members of society and between regions become too great, clashes break out between ethnic groups, between regions, between classes and between central and local authorities. This can lead a country to the brink of chaos. Therefore, we must take the widening income disparities and regional disparities very seriously. We will continue to adhere to the policy of allowing and encouraging some regions and some people to prosper first, then let them help and motivate others, and gradually extend prosperity to everyone. We encourage everyone to use their brains to help promote economic development. At the same time, we need to take adjusting personal income distribution and decreasing the gap between regional economies as important overall objectives, and conscientiously handle all kinds of social relationships and conflicts arising in the course of economic development.

In addition, agriculture and SOEs face a number of very serious problems and difficulties. In agriculture, one problem concerns the supply of and demand for grain. China's large, growing population creates a huge demand for grain that is very difficult to meet. This truly is an important strategic problem deserving close study and careful handling. Water conservancy is another problem. For many years inadequate effort has been put into harnessing the country's rivers, our water conservancy facilities are crumbling and our flood control ability is woefully inadequate. Floods occurring every rainy season greatly endanger the people's lives and property

and inflict great losses. We must be very decisive, genuinely increase spending by the government and collectives, find various means to get farmers to contribute labor, and accelerate efforts to harness rivers and develop water conservancy facilities. With regard to SOEs, the greatest problems are that many of them are unable to adapt to the developing socialist market economy and changes in domestic and foreign markets, they are restructuring and transforming the way they operate too slowly, their management is too slack, they are uncompetitive, their market share is decreasing, their economic performance is declining, and they have production and operating difficulties. In addition, state assets at some SOEs are seriously eroding in various ways. If these problems remain unresolved and SOE reform does not make substantive progress or achieve required results, the leading position of the state sector of the economy will be undermined, it will be difficult to successfully implement the reforms intended to create a socialist market economy, and the consolidation and development of our socialist system will be threatened. Therefore, in all our economic work, we must always focus firmly on cementing the position of agriculture as the foundation of our economy and operating SOEs well.

There is a wide range of causes for the above risks and problems in reform and development and some have been accumulating for a long time while others are the products of new circumstances. Some are temporarily unavoidable in the process of economic restructuring, and some are the products of our inexperience. We must conduct a comprehensive dialectical analysis to achieve a correct understanding of these problems. We need to realize that a few conflicts and problems can easily give rise to many, small conflicts and problems can become major ones, and quantitative changes can turn into qualitative changes. We need to spot incipient trends, be vigilant when things go smoothly, repair the roof before the rainy season, and not wait till we are thirsty to dig a well. We can successfully prevent and defuse all kinds of economic risks if we take them seriously, adopt effective measures, and promptly and appropriately handle conflicts and problems as they arise.

3. Do a good job forecasting and forestalling risks in economic development

Resolving outstanding conflicts and problems in economic development in essence requires steadfastly emancipating our minds, seeking truth from facts, capably carrying out reform and opening up, quickly and effec-

tively expanding the economy, and comprehensively and correctly balancing reform, development and stability. Doing so will enable us to effectively ameliorate conflicts, eliminate risk factors and become better able to ward off risks. We need to concentrate on the following tasks in order to avert economic risks.

1) We need to strengthen monitoring and forecasting of risks in economic development. Departments with overall responsibility for the economy and related departments should organize their resources to carefully study short-term and medium- and long-term risk factors affecting reform and development. They should set warning lines and standard parameters for possible and latent economic risks, correctly estimate the likelihood of economic risks arising and promptly give warning thereof. They should also organize their resources to carry out research to formulate a strategy for our country's short-term and medium- and long-term economic security in accordance with the principle of addressing both manifestations and root causes and in order to guide and coordinate the work of guarding against national and local economic risks.

2) We need to promptly formulate measures to defuse and guard against economic risks. We need to intensify research to devise policies and measures to resolve all kinds of conflicts and problems. We need to make further improvements in the areas of public finance, banking, investment, income distribution and the distribution of goods, and crack down on all kinds of economic crimes. We need to accelerate the creation of a legal system for the socialist market economy, and make economic activity more standardized and institutionalized. We need to formulate a variety of contingency plans to deal with any eventuality. We must strive harder to resolve existing serious conflicts and problems and eliminate risk factors.

3) We need to further improve the macro-control system. We need to create an effective nationwide system of economic regulation and improve our ability and methods to optimize macro-control. We need to increase reserves of important strategic resources and commodities in a planned and purposeful way. We need to strengthen unified command and control, and improve our response capability so we can quickly and effectively handle emergencies.

4) We need to apportion responsibility while cooperating fully. All regions and departments need to assume full responsibility for economic risks according to the division of work among their leaders and scope of departmental functions, and establish a clear and strict responsibility

system. If any major problems arise in a region or department, the leader there will bear full responsibility. Because all economic factors in various areas are extremely complex and closely bound together, all areas must act in concert, cooperate fully and work together to transform, disperse and defuse all kinds of economic risks.

Listening to reports by various departments over the past two days on their risk forecasts for our economic development and their research on countermeasures is just a beginning. In the past, we emphasized semi-annual and annual analyses of the economic situation, and this is very important. From now on, we should also emphasize research into medium- and long-term trends in economic development. The Central Committee's Leading Group for Financial and Economic Affairs and the State Council need to intensify work in this area, and the General Office of the Leading Group for Financial and Economic Affairs, the State Planning Commission and other departments with overall responsibility for the economy need to place more emphasis on research on these issues. We need to effectively combine research, decision making and implementation, constantly improve our economic leadership, become better able to provide leadership of economic work and guidance of the overall economic situation, ensure sustained sound progress in our country's reform, opening up and modernization, and smoothly achieve the goals we have set.

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[1] "Our Diplomatic Work Must Unswervingly Safeguard the Highest Interests of the State and the Nation," note 2, p. 308, this volume.

[2] "We Should Draw on the Experience of Other Countries," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 262.

[3] *The Book of Rites*, "The Doctrine of the Mean."

[4] *Collected Writings of Zhuge Liang, "Sixteen Strategies: Yincha."*

STRIVE TO FULFILL THE SEVEN-YEAR ACTION PLAN TO LIFT 80 MILLION PEOPLE OUT OF POVERTY*

September 23, 1996

The reason why the Central Committee and the State Council have convened this working conference on poverty alleviation and development is to further unify the whole Party's understanding and mobilize all sectors of society to intensify poverty alleviation and development efforts and resolutely fulfill the Seven-Year National Action Plan to Lift 80 Million People Out of Poverty.[1] Before this meeting, the Standing Committee of the Political Bureau of the Central Committee and the Political Bureau deliberated this problem. I would like to discuss the following issues in the spirit of those deliberations.

I. Further Unify Our Thinking, Strengthen Our Resolve, and Resolutely Fulfill the Seven-Year Action Plan to Lift 80 Million People Out of Poverty Within the Prescribed Timeframe

Basically solving the problem of China's impoverished rural residents lacking the basic necessities by the end of the century is a strategic objective determined by the Central Committee and the State Council. To achieve this objective, Party committees and governments at all levels and their agencies promoting poverty alleviation and development have worked hard, all sectors of society have provided great support, and cadres and the masses in impoverished areas have worked tirelessly. From 1978 to 1995, the number of rural residents living in poverty in China dropped from 250 million to 65 million, a drop from one in four of the world's impoverished people to one in 20. This is a massive historic accomplishment. This fully confirms the superiority of China's socialist system and the correctness of the Party's basic line.

However, we need to clearly realize that it will be very difficult to

* Speech at a central working conference on poverty alleviation and development. Its original title was "Mobilize the Whole Party and All Sectors of Society to Fulfill the Seven-Year Action Plan to Lift 80 Million People Out of Poverty."

achieve our aim of basically solving the problem of our impoverished people lacking the basic necessities by the end of the century. Time is pressing, our task is still formidable, and our work is entering the final, critical stage. Per capita net income of all those still in poverty is less than needed for the basic necessities, and a small portion live in dire poverty. Most of these impoverished people live deep in the mountains, rocky mountainous areas, desolate areas, high-elevation mountainous areas, loess plateaus, endemic disease areas or areas populated by people displaced by reservoir construction. These areas are remote and have little access to transport, and they suffer from degraded ecosystems and sluggish economic development. Lifting these people out of poverty is a very difficult task. Although investment in poverty alleviation has increased steadily over recent years, the rate at which people are escaping poverty is steadily slowing. In the last three years, we have solved the problem of providing the basic necessities for a total of over ten million people, or several million a year. At this rate, nearly half the indigent population will still lack the basic necessities into the next century. This shows that there are very serious obstacles to fulfilling the Seven-Year Action Plan to Lift 80 Million People Out of Poverty. In addition, over 20 million farmers have just gotten out of poverty, but their incomes are relatively low and unstable, so the task of guaranteeing they continue to have the basic necessities is also very difficult.

The central leadership thinks that we must crack this tough nut and win this difficult battle against poverty in the next five years even though the task is formidable and time is pressing. We absolutely cannot vacillate in our commitment to basically solving this problem of our impoverished people lacking the basic necessities by the end of the century. Winning this difficult battle means that, except for a minority of impoverished disabled persons unable to work; some widowers, widows, orphans and childless needing government help; and people cast into poverty by irresistible natural disasters, everyone else should have the basic necessities. Why did the central leadership make this resolution?

First, this is determined by the Party's purpose and the nature of socialism. Our Party's purpose is to serve the people wholeheartedly. We are building socialism in order to liberate and develop the productive forces, eliminate exploitation and poverty, and ultimately achieve prosperity for all. Poverty is not socialism. Some people being forever mired in poverty while others prosper is not socialism either. Encouraging some regions and some people to prosper first while also encouraging them to help others

who are still not doing well so that ultimately everyone is prosperous is the policy we have adopted. This policy will not change. In some localities in the southwest and northwest, I personally found that some people's houses are nothing but bare walls, that they have barely enough cornmeal gruel to stave off starvation, and that they have great difficulty getting salt for their food and water to drink. My heart was touched by this sight. In ancient times, a Chinese statesman said, "There is no greater motive than love for the people, and no greater action than making them happy."[2] When we as Communists see people in this plight, we should be unable to enjoy our meals or sleep soundly at night. By the end of the century, New China will already have been in existence for more than 50 years, and there is no way we can justify tens of millions of our people still being in poverty. There are 592 impoverished counties in the country, and 105 of them are in old revolutionary base areas. The people there made great contributions to and sacrifices in building New China, and if we do not help the masses there out of poverty by the end of the century, we will have failed in our duty to our revolutionary martyrs and the people of those areas.

Second, this is determined by the historic tasks we face. It was decided at the Fifth Plenary Session of the Fourteenth Central Committee and the Fourth Session of the Eighth NPC that China should quadruple its 1980 per capita GNP, basically eliminate poverty and achieve a moderately prosperous standard of living by the end of the century. If we reach this goal, we can achieve the objectives for the second step of the strategic plan for modernization and lay a firm foundation for even greater development in the next century. At present, it seems that to achieve these objectives we must develop agriculture, the foundation of the national economy, and carry out the difficult task of alleviating poverty well. To achieve the goal of building a moderately prosperous society, we should not only concern ourselves with the country's per capita income, but must also consider whether we have basically eliminated poverty. So we must promote balanced economic development between regions. If we cannot basically eliminate poverty, and regional disparities in economic development increase, this will adversely affect the achievement of a moderately prosperous standard of living nationwide and the progress of the entire socialist modernization program. We need to acknowledge that since the beginning of reform and opening up, the economies of both the eastern region and the central and western regions have experienced unprecedented development. The eastern region has developed more quickly and played a positive role in promoting

economic development throughout the country. However, we also need to see that the disparity in development between the eastern region and the central and western regions has constantly grown. If this trend continues, this will not only be detrimental to the optimum allocation of resources and the rational distribution of the productive forces, but also harm social stability and national rejuvenation. Comrade Deng Xiaoping said we should let a number of regions with the proper conditions prosper first, and then they should assist impoverished regions without affecting their own development. In accordance with Comrade Deng's thinking, the Fourteenth Central Committee set forth at its Fifth Plenary Session the strategy of steadfastly balancing economic development between regions and gradually shrinking the disparity in regional development. The Central Committee decided that beginning in the Ninth Five-Year Plan period, we should provide greater support to economic development of the central and western regions, gradually increase our efforts there, and actively strive to narrow the disparity in regional development. To implement this strategy, we must ensure that the masses in impoverished areas have the basic necessities. This is an important battle in gradually decreasing the disparity in regional development, promoting balanced economic development between regions and achieving the goals for economic and social development by the end of the century.

Third, this is also determined by the need to safeguard the overriding interests of reform, development and stability. In some impoverished areas, there are a number of latent destabilizing factors due to the extreme hardships of people's lives there. If social order is not preserved, reform and development will be out of the question. When we investigated rural areas, we found that the lives of some farmers are fraught with difficulty and that their villages have no collective income, so they are unable to help their residents solve practical problems and village authorities consequently lack public trust. In some areas, illegal religious forces have exploited the power vacuum and are engaged in a power struggle with us at the primary level. If the problem of poverty in impoverished areas, especially ethnic autonomous areas and border areas, remains unsolved for long, ethnic unity and border security will definitely be affected, and that will have an effect on overall social stability. We need to be aware of this danger. Therefore, stepping up the pace of development in impoverished areas is not only an economic issue, but also an important political issue that affects the country's long-term political stability. We must fully un-

derstand the great political, economic and social importance of this anti-poverty battle from an overall, strategic perspective.

Even though it will be very difficult to achieve our poverty alleviation objectives by the end of the century, there are a number of favorable factors that will enable us to complete all our tasks if we work hard. First, the Party and government accord this work high priority and have adopted a number of policies and measures. Cadres and the masses in impoverished areas fervently desire escape from poverty. Combining the Party and government's policies and measures with the masses' enthusiasm can generate a powerful force. Second, as the national economy grows and the country becomes stronger, more money can be invested in poverty alleviation to help impoverished areas with their development and construction. At present, the central government's spending on poverty alleviation has already exceeded ten billion yuan, and this will increase significantly beginning next year. Because the number of people in poverty is decreasing every year, it is possible to concentrate poverty alleviation funds more in the most impoverished areas. Third, enthusiasm throughout society to help alleviate poverty is constantly increasing. From Party and government departments to mass organizations, and from large and medium-sized cities to economically developed areas, the scale of support for helping impoverished areas develop is constantly increasing, the forms of support are multiplying and the effects of this support are becoming increasingly apparent. Fourth, after more than ten years of poverty alleviation and development, impoverished areas have acquired a certain level of self-development capability, gained a wealth of successful practical experience and found a number of effective ways to proceed. Several days ago, I took the Beijing-Kowloon Railway and toured the old revolutionary base areas in the Dabie Mountains and in southern Jiangxi. I discovered that great changes had taken place in the rural areas and that most of the masses there were starting to get the basic necessities. Their main experiences were: 1) they improved their farmland and water conservancy and put great effort into improving agricultural production conditions and the ecosystem; and 2) they actively developed diversified production without cutting back grain production. Their successes inspire us with hope and confidence. The key to whether or not we can complete the task of alleviating poverty as scheduled depends on our resolve and how hard and effectively we work. If the whole Party is of one mind and one will, firmly resolved and integrated from top to bottom, and if we

coordinate everyone's activities, fully mobilize all sectors of society and adopt more effective measures, then we certainly can achieve our strategic objectives.

II. Adhere to the Principle of Poverty Alleviation Through Development and Increase Impoverished Areas' Self-Development Capability

Transforming poverty alleviation work from providing handouts to providing development assistance is an important reform in poverty alleviation, as well as our basic principle for this work. Many years' experience shows the fundamental way to eliminate poverty is to implement this principle by integrating the efforts of cadres and the masses in impoverished areas with state assistance, exploiting local resources, expanding commodity production, improving production conditions, and strengthening the areas' ability to accumulate funds and develop on their own. Our experience in recent years shows that to implement this principle, we need to focus on the following work.

First, we need to increase agricultural production, particularly grain production. This is urgently needed to ensure everyone has the basic necessities, and it is the basis for progress in all our other undertakings. Impoverished areas must give the highest priority to grain production. We need to stabilize and increase the acreage planted in grain, focus on increasing the harvest in low- and medium-yield cropland, strive to raise the yield per acre, and raise the per capita production of grain to eliminate food shortages as soon as possible. On this basis, we need to fully utilize local resources, adapt to market demand, actively develop diversified production that gives primacy to farming, animal husbandry and aquaculture, and develop township and village enterprises focused on processing agricultural and sideline products in order to raise rural incomes. We can see from the experience of some localities that there is great potential for developing diversified production. This is something all households can do, and it is the most practical and reliable way for them to increase their incomes. If a village launches one or two good projects, it can achieve significant results in a year or two. In some impoverished areas there is little arable land, but there are large mountainous areas, which are suitable for developing animal husbandry and aquaculture or planting fruit trees. Raising a steer can produce several hundred yuan in profit, raising a sheep can produce tens of yuan in profit,

and planting fruit trees or growing vegetables in one-fifteenth of a hectare of land can yield several thousand yuan a year. As farming, animal husbandry and aquaculture expand, we need to develop processing of agricultural and sideline products in accordance with local conditions, adding one level of profit making onto another and raising overall agricultural profits. If impoverished areas try to develop ordinary manufacturing, they may not succeed because of limitations on transport, technology and skilled labor. If they try and fail, they will not only waste valuable poverty alleviation funds, but also become saddled with a heavy debt burden. However, developing processing of agricultural and sideline products in coordination with farming, animal husbandry and aquaculture, and integrating trade, industry and farming will not only enable them to make the best use of local natural and labor resources, but also link together the uncoordinated activities of numerous households, raise the level of social services to farmers, increase their ability to withstand market risks, and gradually create pillar industries with local characteristics. Experience in many localities proves that linking trade, industry and agriculture is an important aspect of the transformation of the rural economic system and an effective way to transform the pattern of agricultural growth. Developed areas should follow this path. The development of the market economy in impoverished areas lags behind and they have backward production methods, so it is even more important for them to emancipate their minds, proceed from their own realities, and unswervingly follow this path.

Second, we need to put great effort into changing production conditions and improving the ecosystem. The vast majority of impoverished people live in areas with a very poor natural environment, where trees are scarce, water is in short supply, the soil is exhausted, there are severe sand or dust storms, there is severe soil erosion, or the ecosystem is deteriorating. Most of these areas are situated near the sources of large rivers, and every time it rains hard, soil runs off here only to accumulate downstream in rivers and lakes as silt where it heightens the danger of floods. Therefore, if impoverished areas make all-out efforts to improve their farmland, plant trees and grass, and undertake water control and soil reclamation, this will not only help alleviate poverty there, but also have a great impact on the sustainability of economic development of areas downstream and the ability of our descendents to survive and develop. All Party and government leading cadres in impoverished areas need to strengthen their resolve; fully mobilize the masses; tirelessly do their utmost to create a unified plan

for each river basin; and comprehensively improve mountains, rivers, lakes, forests, fields and roads to make dramatic changes in their areas' production conditions and ecosystems through several years of hard work. To improve farmland, we need to simultaneously develop large, medium-sized and small projects, and make full use of local rural labor to carry out small water conservancy projects while large ones are proceeding on the basis of the state plan. Such small projects require little capital, but yield quick results. All that is necessary to complete them is to get the local people to contribute funds and labor, supplemented by an appropriate amount of state aid. In some areas, mountains are desolate and labor is idle. We need to quickly change this situation and put these valuable resources to work. In improving farmland, different areas need to focus on different things. In arid areas with water scarcities, everything possible needs to be done to store, preserve and conserve water. I visited Dingxi County in Gansu Province where terraced fields cut into mountain slopes, and every time it rains 30 to 40 millimeters, water accumulates in the terraces. Some rural households had also built cisterns to collect rainwater with good results. In areas where vegetation cover is low and serious sand or dust storms occur, it is necessary to plant extensive tree and ground cover. China's historical records reveal that many areas in western China had lush forest coverings at the time of the Qin and Han dynasties [221 BC-220 AD], but for a variety of reasons, including cultivation of virgin land and the ravages of war, the vegetation cover was nearly wiped out. As vegetation cover is lost, rainfall decreases and the ecosystem slides into a cycle of degradation. In the long run, these areas must plant trees and grass to increase the vegetation cover and conserve water sources. This will fundamentally solve their water-shortage problems. Otherwise, they will never be able to extricate themselves from the passive situation of depending on heaven to feed them. They need to view the task of planting trees and grass as a great cause that not only has benefits now but will also benefit future generations, and keep up this work year after year, generation after generation.

Third, we need to actively promote all kinds of appropriate technology and stimulate scientific and technological progress. One important reason impoverished areas lag behind economically is that their science and technology are backward and their production and operations are extensive. Appropriate technology that was widely put to use long ago in other areas is not being used in impoverished areas because of weak technological capabilities and a shortage of funds. Experience in many localities shows that

— whether in farming, animal husbandry, aquaculture or processing — wide use of the appropriate technology that is available can greatly increase production and raise returns in impoverished areas, enabling them to provide the masses with the basic necessities. For example, in some frigid mountainous areas in the western region, the technique of raising corn under plastic sheeting was introduced, which enabled farmers there to increase production by 2,250 to 3,000 kilograms and increase income by 3,000 to 4,500 yuan per hectare. A family with two fifteenths of a hectare of land can now solve its food problem. The masses call this a "project to ensure the basic necessities." Therefore, impoverished areas need to strive to promote the use of technology. Every locality needs to choose several appropriate technologies that can significantly raise production and incomes, are welcomed by the masses and are easy to learn, and they need to strive to popularize them, and ensure that they get into the hands of farmers and are actually put to use in production. Local Party and government leaders and cadres sent to villages for poverty alleviation need to conscientiously study these technologies, personally go into the fields and show farmers how they work. In addition, the network for disseminating science and technology needs to be improved, and technological training of farmers needs to be strengthened so that every village has several families that can demonstrate technology to others. It will cost some money to disseminate technology and carry out technological training, but this investment will yield the highest dividends. No matter how tight our finances get, we must ensure that this work is properly funded.

III. More Widely and Thoroughly Mobilize All Sectors of Society to Participate in Poverty Alleviation

Helping impoverished areas solve the problem of lack of the basic necessities is an important task of the Party and government, and also the responsibility of all of society. Widely mobilizing all sectors of society to participate in poverty alleviation is an important principle for that work. Adhering to this principle will not only help people more quickly escape poverty, but also improve the social atmosphere. The Chinese nation has a fine tradition of helping those in need. In recent years, different sectors of society have engaged in a wide variety of activities to help those in need and have achieved significant successes. We need to expand on that fine tradition. There is a very bad practice in society to-

day of wasting huge quantities of money on banquets where the host spends more for a table of ten than a poor family spends on food in a whole year. This kind of extravagance is corrosive to the socialist cause. We need to conduct intensive education in national conditions, advocate the spirit of frugality and arduous struggle in all our undertakings, overcome the bad habit of extravagance and waste, arouse the enthusiasm of all sectors of society for helping the poor, and extend poverty alleviation activities even wider and deeper.

Party and government departments need to take the lead in society's poverty alleviation activities. Departments at all levels need to do everything within their power to help impoverished areas open up and develop. Some areas are implementing poverty alleviation by launching electric power, transportation or water conservancy projects. This is excellent, and we need to conscientiously learn from their success and apply it elsewhere. In addition, we need to do our poverty alleviation work well at designated localities. In recent years, the central and local Party and government departments have designated some impoverished counties to work with directly, sent work teams there and provided concrete assistance to impoverished villages there. Not only has this helped these areas solve a number of practical problems, but also strengthened these Party and government bodies' relations with the local people. This was greatly appreciated by the local people. We should keep this up for a long time and work harder at it. At present, many Party and government departments are overstaffed, and they should reassign some staff members to participate in poverty alleviation work. Every department should frequently send one responsible cadre to impoverished areas to inspect and guide the work. In our work, we cannot settle for just going through the motions; we need to emphasize results and work effectively to accomplish something of benefit to the masses.

Pairing up developed areas with impoverished areas to help the latter escape poverty is an important measure for mobilizing all sectors of society for poverty alleviation. The Central Committee and the State Council have decided that the three municipalities directly under the central government — Beijing, Tianjin and Shanghai, six relatively developed coastal provinces and four cities specifically designated in the state plan should each pair up with one of the ten provinces and autonomous regions in the western region.[3] This is a strategic measure for gradually reducing the development gap between the eastern and western regions and promoting balanced economic development between regions. All the developed provinces and

municipalities need to consider their work of providing assistance to their designated provinces or autonomous regions a political responsibility, and their principal leaders must personally take charge of the work and ensure it produces results. These provinces and municipalities must clearly set assistance targets and define responsibilities for their counties or districts and their enterprises, and make how well they meet these targets an important criterion in evaluating their overall performance, and monitor them until they meet their targets. Responsible city and county leaders in developed areas need to go to their partner counties on a regular basis to study the situation and formulate assistance measures. They need to select outstanding cadres to send to impoverished areas to help exploit resources, train personnel and develop pillar industries. Impoverished areas need to fully cultivate their dynamism and take the initiative in coordinating this work. Everyone needs to realize that even though developed areas have many advantages, impoverished areas also have theirs, and that by linking up, the eastern and western regions can help each other and compensate for each other's shortcomings.

In recent years, the democratic parties, mass organizations, research institutes, colleges and universities, the PLA, the People's Armed Police Force and other sectors of society have undertaken many kinds of poverty alleviation activities such as the Hope Project and programs to provide intellectual support to border areas and alleviate poverty through culture, all of which have had good results. We need to further strengthen organizational work and expand these kinds of activities even more. At a working conference on poverty alleviation and development held the year before last, I proposed that large and medium-sized cities and developed areas donate clothes and bedding to impoverished areas. Recently, I have noticed that many people in impoverished areas not only lack clothes and bedding, they also cannot afford schoolbags and school supplies for their children; whereas these things are abundant in cities and developed areas, and they stop being used when they start to get old. They can be donated to impoverished areas instead. The people are enthusiastic about this kind of thing. The key is to do the motivational and organizational work well and to keep it up.

IV. Rely on Cadres and the Masses in Impoverished Areas to Perseveringly Work Hard and Effectively

Changing the situation in impoverished areas requires the support of the state and the assistance of all sectors of society, but the root of the matter is that it will need to rely on local cadres and masses to cultivate a spirit of self-reliance and hard struggle, tirelessly and effectively work to strengthen themselves and laboriously break new ground. This is the only way outside support can genuinely be effective. In recent years, I have gone to many impoverished areas. Some of them had terrible natural conditions and people's lives were very difficult, but after seven or eight years' hard work, the poverty situation there has changed considerably. I think the main reason is the local people have tremendous drive. Leading bodies, cadres and the masses all work hard. Years pass and a new generation takes up the work, and eventually a new world is born. The great success we have achieved in poverty alleviation in recent years would not have been possible without the hard work of cadres in impoverished areas. On the other hand, in some places, more than ten years have passed, but the landscape remains the same and the masses still live in poverty. One important reason for this is that the leading bodies there do not serve as models of hard work. They are all talk, but no action. If cadres are not models of hard work, we will not get results no matter how good our development plan is. Therefore, if things are to change in impoverished areas, we must foster a spirit of working hard and effectively. We often talk about a sense of mission, responsibility and urgency. These must all be manifested through hard and effective work. Whether or not we have a spirit of working hard and effectively is a practical test of how staunch our Communist revolutionary will is, as well as a concrete reflection of whether or not we can wholeheartedly serve the people. History has given us the great mission of basically solving the problem of our impoverished people lacking the basic necessities by the end of this century, and it is the fervent wish of the masses in impoverished areas that we do so. Those working in impoverished areas can never for a moment forget the great trust the Party has placed in them and the expectations the people have of them. They should strive to make the country stronger, and devote all of their efforts to achieving the strategic goal that has been set.

Counties are the primary leaders in the battle to eliminate poverty. The key to getting the masses to work hard and effectively is to select and de-

ploy good leading bodies in impoverished counties, especially county Party secretaries and administrators. We need to encourage and support county Party secretaries and administrators who have a strong sense of mission and responsibility and can lead the people in working hard and effectively to complete the difficult task of poverty alleviation. We need to resolutely remove from office those who lack a sense of mission and responsibility and do not work hard and effectively because if we let them remain in office, we will miss opportunities. We need to select a number of comrades with superior political qualities, a strong sense of mission and great enthusiasm for their work to reinforce county leading bodies. After we set up these leading bodies, we need to maintain their stability and not change horses in midstream. Those working in impoverished counties need to thoroughly understand the situation, search for ways to eliminate poverty, organize implementation and get results. This will not be possible without several years' hard work. Some impoverished counties have had seven or eight Party secretaries or county administrators in ten years. How can these counties turn things around under these conditions? The conditions for a Party secretary or county administrator in an impoverished county are more onerous than elsewhere, and the work is much harder too. When we find county Party secretaries and administrators who dedicate themselves selflessly, work hard and lead the masses in completing the difficult task of alleviating poverty, we should heartily commend them and promote them to positions of greater responsibility. The same applies to town and township Party secretaries and mayors. When appointing cadres to positions of responsibility, we need to take into account their political accomplishments and the will of the people, promote those who genuinely have the backing of the people, and give them the freedom to operate. The central task in impoverished counties is to solve the problem of the masses lacking the basic necessities. All work must center on and serve this task, but may not influence or interfere with it. Of all the things we do, what could be more important than ensuring the masses have food to eat and water to drink? In impoverished counties, all inspections, evaluations and targeting of goals that are unrelated to escaping poverty need to be firmly stopped. Impoverished counties in particular need to streamline their government agencies to lessen the burden on the masses. As long as county governments do not exceed their overall staffing quotas, county Party committees are free to arrange the staffing of their county government agencies as they wish, and their superior departments should not interfere.

In the final analysis, escaping poverty depends on lower-level organizations leading the masses in working hard and effectively. Countless facts show that if primary Party organizations are strong-willed and vigorous, they can fully mobilize and organize the masses, unleash a powerful force and effectively transform the poverty situation. In recent years, some progress has been made in improving lower-level organizations in impoverished areas, but there are still quite a few villages in which leading bodies are weak, collectives are financially straitened, order is chaotic, no one manages village affairs, and there are no procedures for so doing. If this problem is not solved, we cannot even begin to address other issues. In some rural areas, feudal superstition is reemerging, theft and gambling are rampant and public order is in disarray. One important reason for this is that primary Party organizations there are not doing their job. Therefore, no matter whether in winning the battle against poverty or making material, cultural and ethical progress in rural areas, we need to begin by strengthening lower-level organizations. All regions need to closely link poverty alleviation with Party building and work hard to strengthen lower-level organizations in impoverished villages in accordance with the arrangements and requirements of the central leadership. We need to put together a good leading body, choose a good path to follow and create a sound set of mechanisms. We need to adhere to all the policies on rural affairs adopted by the Party since the Third Plenary Session of the Eleventh Central Committee, stabilize and improve the responsibility system, the main form of which consists of household contracts linking remuneration to output, and the two-tiered operational system that integrates unified with independent management, and give full rein to households' enthusiasm for undertaking contracts, while making the most of the strengths of unified collective management, in order to provide more services to rural residents and help them escape poverty. It is particularly important to do all this in impoverished areas without vacillation. There are two keys to strengthening village organizations: first, creating a good Party branch, and second, developing the collective sector of the economy and making sure that someone is in charge and that there is money to administer affairs. If a village does not have any income from economic collectives, every time something needs to be done, it will be necessary to collect money from the people, and this will make it difficult for the Party branch to maintain its cohesiveness and appeal to the people. We need to set up collective enterprises and increase collective income by exploiting local resources. Governments at all levels should raise whatever funds they

can to help villages in dire poverty by subsidizing the main cadres there. We cannot reinforce village organizations well with just an ordinary appeal. We must organize our forces, go to the villages, and work hard and meticulously. Leaders especially need to do this. At present, every county has 20 to 30 county-level cadres, and if each of them takes direct responsibility for several villages, scores of villages in total, over the course of a few years, they can bring great changes to village organizations in their counties.

V. Strengthen Leadership over Poverty Alleviation and Development and Create a Responsibility System at Each Level

The key to whether or not we win the battle against poverty is what level of priority we give to poverty alleviation work, how hard we work on poverty alleviation, whether Party and government heads do their work effectively, and whether we can organize all sides into a powerful united force. Therefore, the central leadership has decided that Party and government heads at all levels must shoulder the responsibility for poverty alleviation. Every province and autonomous region, and every prefecture, city and county needs to have data on how many people there lack the basic necessities, and for the next five years they must devise specific annual plans for how many people they are going to help out of poverty. After formulating their poverty alleviation plans, they need to check on progress every year. Local Party committees and governments need to take responsibility for whether the poverty alleviation plans are fulfilled on schedule or not, with Party and government heads having primary responsibility. To genuinely institute a responsibility system, we must, first of all, strengthen people's sense of responsibility.

First, Party and government heads at all levels need to personally organize and direct the battle against poverty in their localities. Provincial Party secretaries and governors, prefectural and city Party secretaries, prefectural commissioners, city mayors, and county Party secretaries and administrators all need to investigate and study the situation, make arrangements, organize and coordinate activities, and oversee and check the work. Party and government heads at all levels and the heads of departments involved in poverty alleviation need to personally choose a number of the most impoverished villages, go there and stay a few days, inspect local poverty conditions, listen to what the masses have to say, look for ways to help the local people escape poverty, ensure these ideas are put into practice, and get

some direct leadership experience. They need to organize all forces, fulfill their responsibilities and cooperate in order to promote poverty alleviation and development. They also need to monitor how poverty alleviation work is being done at each level and promptly find out how poverty alleviation plans and measures are being implemented, how much money is available, and what the obstacles are to implementation. They need to get to the crux of problems and conscientiously solve them. Checking the work does not simply mean listening to reports. It means actually going into impoverished villages and the homes of poor families to investigate the situation. We need to promptly commend and encourage leaders who lead effectively, get things done and produce significant results. We need to criticize and educate those who do superficial work and make little progress.

Second, Party and government agencies at all levels need to arrange for large numbers of cadres to go to impoverished villages and provide concrete assistance. This is necessary not only for winning the battle against poverty, but also for training cadres and improving agencies' work styles. Whoever perseveres in this achieves good results. At present, some cadres in Party and government agencies rarely go to the countryside and they lack an understanding of the actual situation of the masses, especially in impoverished areas and poor families, and become increasingly indifferent to the masses. When the masses seek help, these cadres not only do not enthusiastically help, but even misuse their authority to cheat them. Such cadres have cut themselves off from the masses completely. The central leadership has decided to institutionalize the practice of organizing cadres of Party and government agencies to go to the countryside to participate in poverty alleviation, and keep it up for a long time. Organization and personnel departments need to conscientiously organize and implement this work. Cadres who go down to the countryside need to share both good and bad times with the masses there, work hard and meticulously, help villages organize effective leading bodies, set people on the path to prosperity, solve problems of greatest concern to the masses, and temper and test themselves through practice.

Third, we need to actually carry out poverty alleviation tasks and measures at the level of impoverished villages and households. This is the basic requirement for implementing the poverty alleviation responsibility system. Whether or not we can help impoverished areas escape poverty depends on whether we can solve the problems of impoverished villages and poor families. Therefore, we must fight the battle against poverty village by vil-

lage and family by family. We must ensure that the main goals are met, so we cannot spread our limited funds too thin. We need to focus on impoverished villages, target poor families, divide and apportion poverty alleviation tasks at the village level, and implement poverty alleviation measures at the household level, so that we can genuinely alleviate poverty.

Nationwide, poverty alleviation has entered the decisive stage. I hope that the entire Party, the whole of society, all cadres and the masses in impoverished areas will arouse themselves further and become a powerful unified force to win the battle against poverty. We believe that under the guidance of Deng Xiaoping's theory of building socialism with Chinese characteristics and the Party's basic line and through the common efforts of the whole Party and the people of all our ethnic groups, we can definitely complete all the tasks that have been set forth for poverty alleviation.

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[1] The State Council printed and distributed the Seven-Year National Action Plan to Lift 80 Million People Out of Poverty on April 15, 1994. The plan sets forth the goal of concentrating human, material and financial resources and mobilizing all sectors of society to basically solve the problem at that time of 80 million impoverished rural residents lacking the basic necessities within the seven years between then and 2000.

[2] *Spring and Autumn Annals of Master Yan*, Inner Chapters, "Asking," Part II.

[3] The six relatively developed coastal provinces are Guangdong, Jiangsu, Zhejiang, Shandong, Liaoning and Fujian. The four cities specifically designated in the state plan are Shenzhen, Qingdao, Dalian and Ningbo. The ten provinces and autonomous regions in the western region are Gansu, Yunnan, Shaanxi, Sichuan, Qinghai and Guizhou provinces and the Inner Mongolia, Guangxi Zhuang, Xinjiang Uygur and Ningxia Hui autonomous regions. On October 23, 1996, the Central Committee and the State Council promulgated the Decision Concerning Promptly Solving the Problem of Impoverished Rural Residents Lacking the Basic Necessities, which made specific arrangements for pairing up developed coastal provinces and cities with impoverished provinces and autonomous regions to help the latter escape poverty. Specifically, Beijing was paired with Inner Mongolia, Tianjin with Gansu, Shanghai with Yunnan, Guangdong with Guangxi, Jiangsu with Shaanxi, Zhejiang with Sichuan, Shandong with Xinjiang, Liaoning with Qinghai, Fujian with Ningxia, and Shenzhen, Qingdao, Dalian and Ningbo with Guizhou. Arrangements to assist Tibet and the Three Gorges area had been made previously, and that assistance would continue as originally planned. Chongqing Municipality directly under the central government was established in 1997, and the Leading Group for Poverty Alleviation and Development of the State Council assigned Zhuhai and Xiamen to assist Chongqing in January 2002.

CORRECT GUIDANCE OF PUBLIC OPINION BRINGS THE PARTY AND PEOPLE GOOD FORTUNE*

September 26, 1996

Today I would like to focus my talk with you on the issue of guidance of public opinion. I mentioned four aspects of this issue at a national conference on publicity and ideological work [in 1994] when I said, "We need to arm the people with scientific theories, provide them with correct media guidance, imbue them with a noble spirit, and inspire them with excellent works of literature and art." Departments and agencies in charge of publicity and ideological work should give the people the best possible cultural products, and arm, guide, mold and inspire the people with them. The media can play an important part in all four aspects of this issue. In particular, they have the important and honorable mission of providing the people with correct media guidance.

As is well known, the economic base determines the superstructure and the superstructure has a huge impact on the economic base. This is a basic concept of Marxism. Because of their particular character and strengths, the media, as an important component of the superstructure and ideology, are closely connected with and have a widespread and profound influence on various aspects of political, economic and cultural activities in society. This was the case in the past when the media were less developed, and is even more so today as they become increasingly modernized.

Past experience has repeatedly shown that correct guidance of public opinion plays an important role in making the Party more mature and robust, establishing and consolidating the people's political power, unifying the people and making the country prosperous and strong. Correct guidance of public opinion brings the Party and people good fortune, while incorrect guidance brings them misfortune. The Party's press affairs are an integral part of its life and succeed or fail along with its fortunes. You could say that the work of guiding public opinion is ideological and political work that affects the future and the destiny of the Party and the coun-

* Excerpt from a speech made during an inspection tour of the *People's Daily*.

try. Therefore, the Party has always stressed that leadership over the news media must remain firmly in the hands of those loyal to Marxism, the Party and the people, that the news media must give top priority to a firm and correct political orientation and correctly guide public opinion, and that the work of the news media must integrate closely with the central task of economic development and be subordinate to and serve the overall work of the whole Party and country. We must always remain unequivocal on these points and never vacillate.

The older generation of Party revolutionaries gave great weight to news work. Comrade Mao Zedong said, "A provincial Party newspaper plays a tremendous role in organizing, encouraging, motivating, criticizing and promoting all the work of the province and its people."[1] This is true not only for a provincial Party newspaper, but even more so for the *People's Daily,* the official newspaper of the Central Committee. Comrade Deng Xiaoping urged that in the new historical conditions ushered in by reform and opening up, "[W]e must turn the Party's newspapers and magazines into ideological centers for promoting nationwide stability and unity."[2] We must fully understand the guiding principles set out in these directives to guide our news work.

The people of all our ethnic groups are diligently following the grand blueprint set out in the Ninth Five-Year Plan for National Economic and Social Development and the Long-Range Objectives Through the Year 2010. They have made a good start and the overall situation is encouraging. However, many difficulties and problems on the road ahead have to be overcome and resolved. Hostile forces continue, and will not abandon, their political plots to westernize and divide our country. We must keep our heads clear, seize opportunities to deepen reform, open wider to the outside world, promote stable and sustained national economic development and all-round social progress, and resolutely safeguard political stability and unity. We must be aware of danger in times of peace and guard against risks when things are going well.

How the *People's Daily* is run plays an important role in setting an example and guiding all other newspapers and the whole press sector in the country. Therefore, you comrades at the *People's Daily* have a particularly heavy responsibility in guiding public opinion. You have a rich store of experience in this respect and have also learned some profound lessons. Your experience and the lessons you have learned are valuable assets and you should never forget them. I hope that the *People's Daily* will take a clear

stand in upholding Party spirit and principles, adhere to Deng Xiaoping's theory of building socialism with Chinese characteristics and the Party's basic line as its guide, and maintain a high degree of ideological and political unity with the Central Committee at all times and under all circumstances. You should advocate patriotism, collectivism and socialism — the themes of the times, enthusiastically praise the people's achievements in reform and economic development, and encourage the people to work hard to rejuvenate the Chinese nation. At the same time, you should play your role in public opinion oversight by criticizing and exposing negative phenomena and corruption. You comrades at the *People's Daily* should keep the big picture and overall interests in mind, always run the newspaper with a correct political attitude, and properly balance reform, development and stability. You should consider the general situation and the overall interests of the Party and the people when deciding what to publish or not publish and how to publish what you do. While providing correct media guidance, you should stress the art of publicity, raise the level of guidance, and strive to make your publicity and reporting closer to the lives of the people and more enjoyable for your readers.

The key to a successful press is a high-caliber team of journalists. We need to strengthen our ideological and political work to fully galvanize the enthusiasm, initiative and creativity of journalists. All media organizations should tighten their coordination to create a strong unified force that plays an even greater role in promoting both material progress and cultural and ethical progress. Central publicity departments and press organizations have gained valuable experience in recent years by actively exploring ways to better coordinate their efforts. I hope that they can continue to build on their experience and do even better in the future.

As Comrade Deng observed, "All our workers fighting on the ideological front should serve as 'engineers of the soul.'"[3] Calling someone an engineer of the soul is high praise, but it also imposes a high requirement since it is difficult to be a good one. Educators must first receive education. Press personnel, especially those who are Party members and leading cadres, must work hard to raise their ideological and political levels and improve their professional skills so they can more effectively provide the people with correct media guidance. Those comrades active on the frontline of news reporting, especially our young and middle-aged comrades, should be farsighted while keeping their feet firmly on the ground, and conscientiously work hard to raise their ideological and political lev-

els and improve their professional competence.

You should have a solid theoretical foundation and be well versed in the Party's line. You need to uphold Marxism-Leninism, Mao Zedong Thought, Deng's theory of building socialism with Chinese characteristics, and the Party's basic line, and use them as a guide to your thinking and your work. As long as you have a solid theoretical foundation and fully understand the Party's line, you will always be able to firmly maintain a correct political stand and orientation, no matter how complicated a situation becomes or how it changes.

You should have a good basic knowledge of policy, law and proper discipline. You should have a firm grasp of the principles and policies of the Central Committee, have a full grasp of the laws and regulations of the state, and strictly observe proper discipline in your news work. News work is closely connected to politics and policies. If journalists do not fully understand the principles and policies of the Party and the laws and regulations of the state, they cannot do their publicity work well and this might even lead to misconceptions and unduly damage the cause of the Party and people.

You should be well grounded in the mass viewpoint. Doing news work and working for a Party newspaper are, in the final analysis, part of mass work and are an important link through which the Party maintains its close ties with the masses. Forging close ties with the masses is an essential requirement and a basic skill for those who work in the press. You must firmly develop a mass viewpoint and identify yourselves heart and soul with the masses. You need to conduct good investigations and studies, maintain a keen sense of the pulse of the times, listen attentively to the voice of the masses, and write more good pieces concerning reform, opening up and socialist modernization.

You should have good foundational knowledge. Knowledge is power. You should first of all strive to be knowledgeable about matters directly related to your work, as well as read a wide variety of books, including books on philosophy, politics, economics, law, history and literature, and learn more about science and technology. I hope that more editors, reporters and commentators who understand politics and have vast knowledge will emerge in the ranks of our news teams.

You need to have good foundational skills related to your news work. News work, whether it is editing, interviewing or other work, requires good professional skills and, in particular, a good background in literature. Many

articles in newspapers today have good topics, good content and splendid wording from which readers derive aesthetic enjoyment while learning at the same time. However, there are also articles that are devoid of literary elegance, and are dry and formulaic. Some are simply written to curry favor with the public with nonsense and some are so full of absurd phrases and sentences that readers are unable to understand them. We must put a stop to such undesirable practices and strongly advocate that journalists hone their basic skills.

You need to continue to advance the Party's fine style of news reporting in this new historical period. First of all, you should devote yourselves to your profession and the Party's press affairs and cherish them. Second, you should seek truth from facts, report situations as they are and tell the truth. Third, you should work hard and not worry about facing hardships or becoming tired, and sometimes even brave danger and death. Fourth, you must be honest and upright, purposefully resist the corruptive influence of money worship, hedonism and ultra-individualism, strictly observe good professional ethics and resolutely refuse to write articles for illicit gain. Fifth, you should adopt a serious and careful attitude toward your work, strive for accuracy and perfection and guard against mistakes. Sixth, you need to be boldly creative. News reporting requires constant innovation, and this affords people plenty of scope to tap their full potential. While adhering to the Party's basic policies and principles concerning news reporting, reporters should constantly look for new areas to cover, explore new ways of reporting, adopt new means of reporting, and produce innovative and outstanding pieces.

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[1] "Letter to Liu Jianxun and Wei Guoqing," *Collected Works of Mao Zedong,* Chin. ed., People's Publishing House, Beijing, 1999, Vol. VII, p. 338.

[2] "The Present Situation and the Tasks Before Us," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1995, Vol. II, p. 255.

[3] "The Party's Urgent Tasks on the Organizational and Ideological Fronts," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 50.

ENERGETICALLY INITIATE A NEW PHASE IN PROMOTING SOCIALIST CULTURAL AND ETHICAL PROGRESS*

October 10, 1996

This plenary session of the Central Committee is very important. Participants at this session have pooled the wisdom of all Party members; listened to and drawn upon suggestions from non-Party members, experts and scholars; and enacted the Resolution on Certain Important Questions Concerning Further Promoting Socialist Cultural and Ethical Progress. This resolution is a programmatic document for guiding cultural and ethical progress and sets forth the guiding thought, objectives, tasks, basic principles and important measures for further promoting cultural and ethical progress under these new circumstances. After this session, everyone needs to strive to turn the spirit of this resolution into practical activities that involve the whole Party and all the people, and initiate a new phase in promoting socialist cultural and ethical progress.

I. The Importance and Urgency of Further Promoting Cultural and Ethical Progress

Since the Fourteenth National Party Congress, we have undertaken work in many areas to carry out all tasks laid out at that congress. The third and fourth plenary sessions of the Fourteenth Central Committee passed important decisions to establish a socialist market economy and to strengthen Party building respectively. The Fifth Plenary Session drew up a grand blueprint for China's economic and social development over the next 15 years. The Central Committee also made arrangements for strengthening agriculture, operating SOEs well, improving democracy and the legal system, developing education, science and culture, strengthening publicity and ideological work, cracking down on corruption and building clean government, as well as strengthening national defense and diplomatic work. Reform and opening up are deepening and developing throughout

* Excerpt from a speech at the Sixth Plenary Session of the Fourteenth Central Committee.

the country, economic development and other undertakings are continuing to make good progress, and the overall situation is good. The better the situation gets, the more important it becomes to keep a clear head, do our work cautiously and conscientiously, discover and resolve new difficulties and problems promptly, and proceed in a practical, down-to-earth manner.

Taking as their starting point the need for achieving all our grand trans-century goals, the participants at this Sixth Plenary Session of the Fourteenth Central Committee have held discussions focusing on certain important questions concerning cultural and ethical progress. They reviewed experience over the past ten plus years, analyzed the current international and domestic situations, and emphasized that at the same time that we promote material progress, we need to give greater emphasis to socialist cultural and ethical progress. This is necessary to make further progress in reform, opening up and modernization. It is also an urgent demand of the whole Party and the people of all our ethnic groups, and a strategic arrangement for continuing to comprehensively, correctly and enthusiastically implement Deng Xiaoping's theory of building socialism with Chinese characteristics and the Party's basic line.

The central collective leadership with Comrade Deng at its core that emerged at the Third Plenary Session of the Eleventh Central Committee shifted the focus of the Party and state's work to economic development and made the significant decision to adopt the reform and opening up policy, ushering in a new era in China's socialist cause. For more than ten years, Comrade Deng has required that the whole Party always adhere to the Party's basic line, stay firmly focused on the central task of economic development, lead the people in wholeheartedly concentrating all their efforts on economic development, and continue pressing ahead with reform, opening up and modernization, no matter what problems or interference may arise. At the same time, he has been greatly concerned about socialist cultural and ethical progress and put forward a series of important ideas on this issue, and the resolution includes an excellent summary of them.

Comrade Deng's thinking on cultural and ethical progress is an integral part of his theory of building socialism with Chinese characteristics. Promoting material progress and cultural and ethical progress at the same time and giving equal weight to both is a basic principle he has constantly stressed. Gaining a thorough understanding of Comrade Deng's thinking on cultural and ethical progress will have far-reaching guiding significance for comprehensively implementing the Party's basic line, further promoting

socialist cultural and ethical progress, improving our ideological work, and carrying out reform, opening up and modernization well. What important guidance should we draw from Comrade Deng's key directives and our practical experience in reform and development over more than ten years?

First, the fundamental task of socialism is to develop the productive forces. Material progress is the foundation for progress in all social programs, and economic development must always hold the central position in modernization. However, economic development and material progress do not occur in a vacuum, but are intimately connected with other social programs and these two kinds of activities promote each other.

Second, a socialist society is one that develops and progresses comprehensively. Socialist modernization is the coordinated integration of material progress with cultural and ethical progress and, if either aspect is lacking, the result will be something other than socialism with Chinese characteristics.

Third, socialist cultural and ethical progress is a key characteristic of a socialist society. Achieving a high level of socialist cultural and ethical progress is an important objective of socialist modernization. Cultural and ethical progress plays a huge role in stimulating material progress and ensures that it develops in the right direction.

Fourth, the fundamental task of socialist cultural and ethical progress is to foster socialist citizens who have high ideals, moral integrity, a good education and a strong sense of discipline. We need to guide cadres and the masses to develop lofty ideals and a correct worldview, outlook on life and sense of values.

Fifth, throughout the entire course of achieving socialist modernization, we must always steadfastly emancipate our minds and seek truth from facts, and unwaveringly adhere to the Party's basic line.

Sixth, in order to properly handle the relationship between material progress and cultural and ethical progress, the relationship between the Four Cardinal Principles and the reform and opening up policy, and the relationship between reform, development and stability, we must always seek to understand their internal relationships, emphasize comprehensiveness, overcome one-sidedness, guard against ignoring some issues while addressing others, and avoid going from one extreme to another.

Since the Fourth Plenary Session of the Thirteenth Central Committee, the Central Committee has learned lessons from past experience in conformity with Comrade Deng's important instructions and made a series of policy decisions to greatly stimulate development of social-

ist culture and ethics. In general, the whole country is making positive, healthy and upward progress in its cultural and ethical development, and has achieved new successes and made further progress. This resolution fully affirms this.

This resolution offers an excellent explanation of the importance, urgency and protractedness of further promoting cultural and ethical progress in the new circumstances. It particularly points out that we now face the historic issues of how to promote both material progress and cultural and ethical progress at the same time while keeping economic development as the central task, and how to pursue cultural and ethical progress while establishing a socialist market economy and opening wider to the outside world. Handling these issues well will prove an important test for all Party members.

The decision to establish a socialist market economy was a major product of reform that the Party and the people made after a long period of difficult exploration. The socialist market economy will be beneficial to further liberating and developing the productive forces, and thereby revitalize economic and social development, while also stimulating cultural and ethical progress to reach a new level. At the same time, we need to note that market failures and weaknesses will have an effect on people's thinking and on interpersonal relations, and facilitate the rise of money worship, hedonism and ultra-individualism. Strengthening socialist cultural and ethical progress and promoting the development of a sound socialist market economy will have a widespread effect on developing the economy, improving Party conduct and the social atmosphere, and promoting progress throughout society. We need to constantly review our experience in the course of our work and properly balance developing the socialist market economy and making socialist cultural and ethical progress.

Implementing reform and opening up is our basic state policy. Widespread economic, trade, scientific, technological, educational and cultural exchanges with countries all over the world play a huge role in carrying out socialist modernization in China. We need to continue to eliminate all kinds of interference and unwaveringly pursue reform and opening up. On this point, we absolutely must not waver. When we open our door, good things come in, but at the same time some bad things will also come in and hostile forces will try to capitalize on the opportunity. Western countries have never slackened in their efforts to exert influence on and infiltrate China in the areas of ideology, politics, culture and religion. After the drastic chang-

es in Eastern Europe and the demise of the Soviet Union, international hostile forces took credit for these changes and claimed that their strategy of peaceful evolution of socialist countries toward capitalism had achieved a decisive victory. They spouted nonsense about how socialist countries would quickly disappear from the face of the earth and intensified their political strategy of trying to westernize and divide China.

So-called westernization means, politically, introducing the Western-style multiparty system and parliamentary system to displace the CPC from its leadership position and replace the state system of people's democratic dictatorship; economically, it means replacing socialist public ownership with capitalist private ownership; and ideologically and culturally, it means replacing China's socialist ideology with a capitalist ideology. Dividing the country means using all kinds of methods and making the most of every opportunity to try to split our Party, our people and our country, and force our country back into the state of disintegration and disarray of old China. In short, the objective of international hostile forces is just what Comrade Deng said it is, to turn socialist China into "a bourgeois republic, an out-and-out vassal of the West."[1] Faced with this kind of conspiracy by hostile forces, we need to always prevent and oppose bourgeois liberalization throughout the course of socialist modernization.

Am I overstating the seriousness of this problem? No, I am not. This is the way things are. Should we therefore close the door and not open to the outside world? Again, no. No matter what risks we face, we will unwaveringly adhere to the policy of opening up. If we do not, there is no hope for China's development. What we must pay attention to is that in the process of opening up and in our contacts with Western countries, our comrades must have a sense of politics and follow Comrade Deng's dictum to make friends with Westerners, but always know where things stand.

In short, in order to comprehensively carry out our country's socialist modernization and send the Chinese nation proudly into the new century, all Party members must unite with and lead the people of all our ethnic groups in effectively making more cultural and ethical progress while focusing their efforts on economic development and greatly expanding the productive forces in accordance with the requirements of the Party's basic line. If we ignore cultural and ethical progress and fail to implement comprehensive modernization, we will make a historic mistake.

Because the Central Committee has already made plans for developing science and education, this session has focused mainly on ideological,

ethical and cultural development. This in no way means that science and education are not important. They are an important part of overall cultural and ethical progress and play a major role in promoting ideological, ethical and cultural development. In increasing efforts to promote overall socialist cultural and ethical progress, we must give due consideration to ideology, ethics, education, science and cultural affairs.

II. Correctly Understanding the Relationship Between Material Progress and Cultural and Ethical Progress

Many comrades are pondering the following questions: Comrade Deng has frequently stressed the need to give high priority to both material progress and cultural and ethical progress and frequently criticized the phenomenon of focusing on one at the expense of the other, and in recent years the Central Committee has repeatedly stressed the need to promote all aspects of socialist cultural and ethical progress. Why is it then that some leading cadres still do not pay enough attention to it and work at it only perfunctorily? Why is it then that some departments and localities have still not fundamentally corrected their one-sided emphasis on material progress at the expense of cultural and ethical progress, even to the extent of sacrificing the latter to achieve one-off, localized economic benefits. There are many reasons for this. I believe an important one is that ideologically they lack a full understanding of the relationship between the two and do not sufficiently appreciate the importance of promoting cultural and ethical progress. It must be noted that whether we correctly understand and properly handle the relationship between material progress and cultural and ethical progress or not has an overall bearing on whether our cause succeeds or fails.

Material progress and cultural and ethical progress are two great, mutually interrelated products of human social experience and two intimately interrelated components of social production and activity. On the one hand, the advance of cultural and ethical progress requires certain material conditions: a well-functioning economy and advanced productive forces provide a solid material basis for promoting cultural and ethical progress. On the other hand, we cannot simply view cultural and ethical progress as an outgrowth of or accessory to material progress; cultural and ethical progress has a relatively independent existence. It is not only wrong but also contrary to the facts of historical development to think that cultural

and ethical progress will occur of its own accord whenever favorable material conditions exist and that it cannot occur whenever they are lacking. Experience shows that material progress and cultural and ethical progress are intimately interrelated, yet each has its own laws of development; they both provide conditions and goals for each other. Material progress provides material conditions and practical experience for the advance of cultural and ethical progress, and cultural and ethical progress provides motivation and intellectual support for the advancement of material progress. We must have a comprehensive grasp of the dialectical relationship between the two, conform to the laws governing the advance of cultural and ethical progress, consciously contribute to its advance and constantly raise its level.

Social progress encompasses both material progress and cultural and ethical progress. If either one is lacking, society will be out of balance and thus unable to undergo sound development. Throughout the socialist modernization drive, we must always give high priority to material progress, hold a firm grasp on the central task of economic development, and energetically promote national economic development. This is the basis for rejuvenating our nation and making the country strong and prosperous, and we can never deviate from this commitment. At the same time, we must always give high priority to promoting cultural and ethical progress and to strengthening ideology, morals, education, science and culture. This is an important guarantee for promoting all-round economic and social progress, and we also can never deviate from this commitment. Socialist society represents a brand new phase in the development of human society. Only if material progress and cultural and ethical progress advance together to a high level can the tremendous superiority of socialism over all other forms of social organization become evident. This is the fundamental reason why Comrade Deng repeatedly stressed the necessity of giving high priority to both material progress and cultural and ethical progress.

Looking back over our Party's history of several decades, we can see that revolutionary ideals and spirit were a powerful impetus to driving China's revolution and construction forward. When it was first founded, the Party had only a few dozen members, but after decades of struggle, it constantly became stronger and led the people to victory in the revolution and construction. What was its source of strength? It relied on Marxism-Leninism to transform the Chinese people's character from passive to active. It relied on integrating the basic tenets of Marxism-Leninism with China's concrete realities to recognize and master the objective laws gov-

erning the country's social and historical development, overcome all erroneous tendencies, and formulate a correct theory, line, principles and policies. It relied on revolutionary ideals and spirit to teach and arm the broad masses of workers, farmers and intellectuals and to unite with them and inspire them to fight for their fundamental interests. For more than 70 years, the Party has led the people of the whole country through the process of revolution, construction and reform. In essence this has been a process of constantly understanding and transforming the world and a process of constantly transforming both the objective material world and the subjective spiritual world.

Following the Third Plenary Session of the Eleventh Central Committee, Comrade Deng repeatedly stressed the need to educate cadres and the people in revolutionary ideals and spirit. He asked how we could lead the country and the people in building socialism if we had not armed ourselves mentally. He reaffirmed Comrade Mao Zedong's thinking that people need to have some revolutionary spirit, and he demanded that, guided by the correct political orientation, we should energetically promote the five types of spirit the Party had developed in the long revolutionary struggle: the spirit of being revolutionary and working tirelessly, the spirit of observing strict discipline and being self-sacrificing, the spirit of acting selflessly and placing others' interests first, the spirit of overwhelming all enemies and surmounting all difficulties, and the spirit of maintaining revolutionary optimism and removing all obstacles till victory is won. He said, "A Party member who lacks this spirit is not fit to be a Communist. But this is not all: we must call on members of the Party to foster this spirit among all our people, particularly our young people, through exemplary deeds, so that it becomes the main pillar of a culturally and ideologically advanced civilization in the People's Republic of China. Our country will then be looked up to by all revolutionary- and progressive-minded people in the world and admired by all who feel frustrated and suffer from spiritual emptiness for lack of purpose in their lives."[2]

In a large country like ours with a population of over 1.2 billion, achieving socialist modernization is a difficult and lengthy task. If we are to make a constant succession of achievements on the road ahead, we will inevitably encounter numerous difficulties and dangers. All Party members and cadres, especially leading cadres at all levels, must increase their sense of political responsibility and take the lead in promoting the Party's fine traditions and revolutionary spirit. This is an important

requirement for us to break new ground and overcome difficulties and dangers. If we are only concerned with money and material benefits and ignore ideals and motivation, our cadres and the people will lose their common goal, cohesiveness and creative drive.

Cadres at all levels need to study philosophy, strive to understand the basic viewpoints of dialectical materialism and historical materialism, acquire a better theoretical understanding of the relationship between material progress and cultural and ethical progress, correctly understand and be thoroughly familiar with our Party's historical experience in leading the revolution and construction, and promote both material progress and cultural and ethical progress more purposefully and resolutely.

III. The Guiding Ideology for Promoting Cultural and Ethical Progress

In promoting socialist cultural and ethical progress in today's China, we must always be guided by Marxism-Leninism, Mao Zedong Thought and Deng Xiaoping's theory of building socialism with Chinese characteristics. Mao Zedong Thought is the product of the integration of the basic tenets of Marxism-Leninism with China's concrete realities, as well as the application and development of Marxism-Leninism in China. Deng's theory of building socialism with Chinese characteristics carries forward and develops Mao Zedong Thought in China's new historical circumstances, and it is a development of Marxism in contemporary China, the fundamental compass guiding all the Party's work in the new period and a powerful psychological pillar for rejuvenating the Chinese nation. Marxism-Leninism, Mao Zedong Thought and Deng's theory of building socialism with Chinese characteristics constitute a unified scientific system imbued with the same spirit. We stress that in promoting cultural and ethical progress, we must adhere to the guidance of Marxism-Leninism, Mao Zedong Thought and Deng's theory of building socialism with Chinese characteristics because this is the only way we can ensure that cultural and ethical progress follows the correct orientation.

Marxism-Leninism, Mao Zedong Thought and Deng's theory of building socialism with Chinese characteristics have been constantly enriched and developed by actively assimilating all the scientific and progressive ideological and cultural achievements of human society, including capitalist society, and conscientiously reviewing the new experience and creations of

the CPC and Chinese people in the course of revolution, construction and reform. They have also constantly consolidated and strengthened their own guiding position in the course of overcoming erroneous ideology, including feudalist and capitalist ideology. Comrade Deng said, "The world changes every day, and modern science and technology in particular develop rapidly. A year today is the equivalent of several decades, a century or an even longer period in ancient times. Anyone who fails to carry Marxism forward with new thinking and a new viewpoint is not a true Marxist."[3]

All Party members, especially leading cadres at all levels, need to pay regular attention to the situation in the areas of ideology and theory, and actively and correctly guide work in these areas. This is not just the task of people in ideology and theory departments. In recent years, some progress has been made in our ideological and theoretical work, and significant results have been achieved in publicizing Deng's theory of building socialism with Chinese characteristics and the Party's basic line, arming cadres and the masses with this theory and line, maintaining the correct orientation of public opinion, promoting the themes of the times and enriching socialist culture. At the same time, everyone is aware that in recent years, some mistaken views have emerged in society that run counter to the Party's basic theory and line. We absolutely cannot treat the question of whether some political stance is right or wrong lightly, but must take a clear-cut position and clearly distinguish right from wrong. The resolution adopted at this session emphasizes that we must make a clear distinction between basic issues of right and wrong in order to address mistaken views that emerge in society and better arm cadres and the masses with Marxism-Leninism, Mao Zedong Thought and Deng's theory of building socialism with Chinese characteristics. Newspapers, periodicals, news agencies, radio and TV stations, and publishing houses throughout the country all need to maintain a correct orientation of public opinion, ensure there are no political mishaps, increase positive education and guidance, and make cadres and the masses better able to distinguish right from wrong.

We need to create a pervasive atmosphere throughout the Party of theoretical study and research and constantly raise cadres' levels of theoretical competence. Leading cadres at all levels are all very busy with their work, but they must squeeze in time to study the works of Marx, Lenin, Comrade Mao and especially Comrade Deng; have a good familiarity with and grasp of the basic tenets of Marxism; and excel at using the Marxist stand, viewpoint and method to analyze problems and guide their work. Practice is the

sole criterion for testing truth. I hope all of you comrades will continue to integrate theory with practice, boldly explore practical matters, fearlessly seek and cultivate truth, and constantly advance Marxist theory.

We need to strengthen Marxist philosophy, economics, politics, jurisprudence, history, literature and art studies, journalism, sociology, ethics, pedagogy and management science on the basis of a review of our practical experience in carrying out reform, opening up and modernization. This is an important task both for strengthening the Party ideologically and theoretically and for consolidating and developing socialist ideology.

The resolution sets forth clear requirements for making progress in the areas of ethics and culture. I do not have much to add on these two issues. I would just like to stress two points. First, in strengthening socialist ethics, what is most important is keeping the focus on serving the people. Throughout society, we need to promote the spirit of serving the people and the spirit of socialist collectivism and urge people to subordinate individual interests to state interests, the interests of the part to those of the whole, and immediate interests to long-term ones. CPC members must lead by example in practicing socialist and communist ethics and genuinely play an exemplary role in promoting these ethical principles among the people. Second, what is most important in making cultural progress is finding the correct orientation and raising the quality of the people working in the field. All cultural undertakings need to stay oriented to serving the people and socialism, and adhere to the principle of letting a hundred flowers bloom and a hundred schools of thought contend. We need to actively guide writers and artists to go down among the people, get in touch with reality, understand and experience the passionate vitality of reform, opening up and modernization, and develop correct creative thinking. In this way, we can cultivate an excellent body of writers and artists who can produce large numbers of works of literature and art worthy of the times, and fulfill the glorious mission of inspiring the people with these works. While developing cultural undertakings, we also need to exercise sound supervision and promote the healthy development of the market for cultural products.

IV. Strengthening Patriotic Education

Patriotic education is an important factor in making cultural and ethical progress and needs to be strengthened throughout the course of so-

cialist modernization.

China is a great, unified, multiethnic country. The Chinese people have lived and worked on this land for over 5,000 years. The people of all our ethnic groups have united together, learned from each other, and combined their toil and intelligence to open up our motherland's beautiful rivers and mountains and create the magnificent Chinese civilization. Great Chinese thinkers, statesmen, strategists, scientists, writers and artists have emerged in great numbers. Chinese civilization has not only had a profound impact in the East, but also made an indelible contribution to human civilization in its entirety. The Chinese people have never bowed their heads to invaders, and they have the glorious traditions of ardently loving freedom, pursuing progress and safeguarding national dignity and state sovereignty. Their hatred for invaders is limitless, as is their contempt for the lowlifes who sell out their country, and their reverence for dedicated patriots is unsurpassed. These characteristics have already become a cherished aspect of our national character.

Our motherland suffered invasion and humiliation at the hands of big powers for long periods in its modern history. Many dedicated patriots and people of all our ethnic groups underwent bitter hardships seeking national survival and salvation in a valiant and unyielding struggle. The creation of the CPC was a historic milestone in turning this struggle from defeat to victory. Our Party used Marxism to analyze the fate of the country and the nation, pointed out the correct orientation and path to rejuvenating the nation and making the country prosperous and strong, and united with and attracted all patriots in a common struggle. The Party draws upon and carries forward the fine traditions of the Chinese nation. It made the greatest sacrifices and contributions in the struggle to win national independence and safeguard state sovereignty, and for this it has won the wholehearted love and support of the people of all our ethnic groups. Chinese Communists are the staunchest and most consummate patriots. The CPC's patriotism is the highest form of the patriotism of the Chinese nation and people.

After our motherland became a socialist society, the people of all our ethnic groups united and strove together to quickly create an independent and relatively complete industrial system and economic system and worked a miracle that would have been unimaginable in old China. In the new historical period, we have made good progress in building socialism with Chinese characteristics and developing the economy, and all other under-

takings have achieved outstanding successes that have captured the whole world's attention. On the basis of personal experience, the Chinese people have come to increasingly realize that only socialism can save and develop China, and that patriotism and socialism are inseparable. In the course of reform, opening up and modernization, there have emerged numerous heroic models in every field of endeavor who have brought honor to their country through their glorious achievements, thus adding new luster to the patriotic tradition of the Chinese nation.

In order to continue to progress in our cause, we must strengthen patriotic education among all our people, especially our youth. The patriotism we uphold is different in its basic nature from narrow nationalism. We need to get our people to understand that adhering to opening up, conscientiously learning from the strengths of other nations in the world, actively introducing advanced science, technology and managerial expertise from abroad, reinforcing our capacity for self-reliance and accelerating our motherland's development are all important aspects of patriotism. At the same time, in the face of the challenges posed by hegemonism and power politics, we must always pay attention to educating cadres and the masses to put state sovereignty and security before everything else, and to purposefully safeguard the unity of the state and nation and the interests of the people. At present, all that some people can see is the disparity between our country's material production and standard of living and those of developed Western countries. They conclude from this that everything foreign is good, so they blindly worship what is foreign and belittle their motherland. Some people even do not shrink from sacrificing national dignity and personal integrity and harming the interests of the state and the nation for the sake of personal gain. The residual influence of the colonial culture, which is a legacy of our history, is reasserting itself in some places. This is a matter requiring our close attention.

In short, we need to use all kinds of vivid and dynamic methods to increase the breadth, depth and duration of patriotic education and publicity, enhance national self-respect and the pride of the people of all our ethnic groups, and foster the fine attitude throughout society that loving the motherland and contributing all one can to building our socialist motherland is the most honorable way to live, and that harming the interests, dignity and honor of our socialist motherland is the most disgraceful thing one can do. We need to get the people to cherish both friendship and cooperation with all the world's peoples as well as our national independence

and state sovereignty, which generations of patriots shed their blood or sacrificed their lives to achieve. We need to teach our youth to understand our motherland's long history and magnificent culture, and the outstanding achievements and fine traditions of our Party and people, and to confidently throw themselves into the powerful current of our motherland's socialist modernization. Our Party members and cadres need to take the lead in fostering awe-inspiring integrity, upholding national integrity, and purposefully safeguarding the country's dignity and the nation's interests. In brief, we need to transform the patriotic enthusiasm of the people of all our ethnic groups into a powerful force for promoting reform, opening up and modernization and rejuvenating the Chinese nation.

V. Strengthening the Party's Leadership of Cultural and Ethical Progress

In order to effectively implement the resolution passed at this session, Party committees at all levels must strengthen their leadership with a high sense of responsibility to the Party and people.

The first task in strengthening the Party's leadership is to strengthen its ideological and political leadership. The work of cultural and ethical progress in essence is to help solve problems directly related to people. Back in 1980, Comrade Deng pointed out, "[I]n principle, Party organizations at all levels should leave as much as possible of the vast amount of routine administrative and professional work to government and professional units. Comrades in leading Party organs, in addition to seeing that the Party's general and specific policies are carried out and deciding on the assignment of important cadres, should devote most of their time to ideological and political work, to mass work and to helping solve problems directly related to people. If all this cannot be fully realized at the present time, we must at least give ideological and political work an important place. Otherwise, the Party's leadership cannot be improved or strengthened."[4] This thinking by Comrade Deng is an extremely important guiding principle that Party committees at all levels must follow in promoting cultural and ethical progress and doing all of their other work. At present, some of our comrades immerse themselves in concrete tasks all day. All they see are things, not people, and they ignore the responsibility as leaders to help solve problems directly related to people and do ideological and political work. This situation needs to fundamentally change. Party committees at all levels, and

especially their principal leaders, must fully realize that the key link to integrating material progress with cultural and ethical progress in the modernization drive is to effectively solve problems directly related to people and do ideological and political work well.

To strengthen the Party's leadership of cultural and ethical progress, we must improve the workforce. Promoting cultural and ethical progress is a mass undertaking, and nothing can be accomplished without the participation of the masses. At the same time, it is essential to have a large, highly qualified workforce whose full-time job is to promote cultural and ethical progress. This workforce includes people working in the fields of publicity, ideology, politics, education, literature, art, the press, publishing, philosophy, the social sciences, the natural sciences and technology. These people have a heavy responsibility for promoting cultural and ethical progress, and they play a major role in doing this work. We already have a reliable workforce, and it has significantly contributed to cultural and ethical progress. We need to continue to comprehensively build up this workforce and raise its quality so that it is politically reliable and professionally competent and has a good work ethic. The Party needs to retain firm control over the important arenas for promoting cultural and ethical progress. The circumstances prevailing in publicity, culture and education departments, as well as Party newspapers and periodicals, news agencies, radio and TV stations and publishing houses, have an enormous influence, and we must select their leading bodies well, impose strict requirements on them and supervise them closely. We need to greatly encourage and support leaders who uphold truth, take responsibility and have a good work ethic. We need to criticize and educate leaders who ignore the political orientation and do not take responsibility or have a good work ethic, and remove those with serious problems from their leadership positions.

Everyone agrees that the resolution passed at this session is a good document. People throughout the country are looking to our Party, especially those who are here today, to see if we can implement it. In recent years, our Party has made a series of work arrangements, and in general implemented them very well, but some of them were not well implemented. There were some problems that clearly could have been solved but were not, a circumstance which elicited various complaints from the masses. This shows that some of our leading cadres work in a bureaucratic, formalistic and superficial manner, and talk big but accomplish little, in some cases even going so far as to engage in fraud and deceive their superiors and underlings. If these

bad work practices are allowed to grow unchecked, they will greatly jeopardize the cause of the Party and people. We must continue to promote the work style of integrating theory with practice, maintaining close relations with the masses, engaging in criticism and self-criticism, being diligent and frugal, and sincerely serving the interests of the people. Cadres at all levels need to be honest, speak the truth and do solid work.

In order to ensure implementation of this resolution, principal Party and government leaders at all levels need to personally take charge under the unified leadership of the Party committee at their level, and Party and government bodies must work together with trade unions, the Communist Youth League, women's federations and other mass organizations. To achieve our common objective, everyone should do their part and willingly take on responsibility; shunting responsibility onto others and wrangling over trifles will not be allowed. In the course of promoting cultural and ethical progress, we need to fully recognize the role of the democratic parties. Relevant departments of the central leadership as well as all local authorities need to promptly study all the tasks set forth in this resolution and formulate specific methods and measures for carrying them out. Cultural and ethical progress is not possible without funds and material input, and as the economy develops, funding should increase accordingly. The State Council has already issued a document on this matter, and all regions and departments must conscientiously implement it. In the course of implementing this resolution, departments at each level must oversee the ones below them. Higher-level departments need to strengthen supervision over and inspection of lower ones, promptly study and resolve any problems that may arise, and constantly acquire new experience.

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[1] "Address to Officers at the Rank of General and Above in Command of the Troops Enforcing Martial Law in Beijing," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 295.

[2] "Implement the Policy of Readjustment, Ensure Stability and Unity," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1995, Vol. II, p. 363.

[3] "Let Us Put the Past Behind Us and Open Up a New Era," *Selected Works of Deng Xiaoping,* Vol. III, p. 284.

[4] "Implement the Policy of Readjustment, Ensure Stability and Unity," *Selected Works of Deng Xiaoping,* Vol. II, p. 360.

PASS ON THE SPIRIT OF THE LONG MARCH FROM GENERATION TO GENERATION*

October 22, 1996

We have gathered on this grand occasion to commemorate the 60th anniversary of the victory in the Long March of the Chinese Workers' and Peasants' Red Army.

First, on behalf of the Central Committee, the State Council, the Central Military Commission and the people of all our ethnic groups, I would like to express my highest regards to the older generation of proletarian revolutionaries who led the Red Army on to this historic achievement, to the officers and enlisted personnel of the Red Army who fought the bloody battles of the Long March, to the people of all ethnic groups who fully supported the Red Army on the Long March, especially those in the revolutionary base areas, and to all the veteran soldiers of the Red Army present here today and all those still in good health who valiantly served in the Red Army.

Sixty years ago, the first, second and fourth front armies of the Red Army joined forces at Huining and Jiangtaibao following the extremely arduous Long March, signaling that the reactionary KMT's plot to annihilate the CPC and the Red Army had been completely foiled and that the CPC and the Red Army, on which the nation placed its hopes, had shifted their strategy to move north to fight the Japanese invaders.

The Long March was a revolutionary exploit unrivaled in history, a miraculous accomplishment of the CPC and the Red Army it led, and an earth-shattering heroic epic of the Chinese nation, which will forever have a prominent place in the history of the Chinese revolution.

I propose that we all rise and observe a moment of silence in honor of all the revolutionary martyrs who heroically sacrificed their lives on the Long March and elsewhere in the revolutionary struggle.

The Long March took place at a time of great changes in China and abroad. After the September 18th Incident in 1931, the Japanese imperialists forcibly occupied China's three northeastern provinces and greedily

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* Speech at a meeting commemorating the 60th anniversary of the victory in the Red Army's Long March.

eyed the rest of the country. This was a time when the Chinese nation faced its greatest danger. The CPC, putting the righteous cause of the Chinese nation first, called upon the entire nation to mount armed resistance against the Japanese invaders, proposed an armistice to the civil war and the formation of an anti-Japanese national united front, and broadly mobilized and organized resistance movements to save the nation. However, Chiang Kai-shek, ignored the nation's peril, stubbornly persisted in his reactionary policy of placing internal pacification before resistance to foreign aggression, and amassed several hundred thousand soldiers to launch his fifth campaign to encircle and suppress the Central Red Army in September 1933. Resistance to this campaign of encirclement ended in defeat owing to the erroneous "Left" adventurist leadership of the Party. In October 1934, the Central Committee and the First Front Army of the Red Army were forced to abandon the Central Revolutionary Base Area, set out on the Long March and shift their strategy to move north to fight the Japanese. After this, the 25th Army and the Fourth Front Army, and the Second and Sixth Army Groups, which were later renamed the Second Front Army, left the Hubei-Henan-Anhui Revolutionary Base Area, the Sichuan-Shaanxi Revolutionary Base Area, and the Hunan-Hubei-Sichuan-Guizhou Revolutionary Base Area and joined in the Long March.

During the course of the Long March, the KMT under Chiang Kai-shek concentrated its main force on encircling, pursuing and intercepting the Red Army in an attempt to annihilate it and the CPC. The heroic Red Army, under the leadership of Comrade Mao Zedong and others, employed flexible strategy and tactics, and through extraordinary wisdom and bravery made four crossings of the Chishui River, used ingenuity to cross the Jinsha River, forced the crossing of the Dadu River, captured the Luding Bridge in a lightning attack, fought battles in the Wumeng Mountains and on the Jialing River and a bloody battle at the town of Dushu, kept the enemy on the move across Sichuan, Guizhou, Yunnan, Hubei, Henan, Shaanxi and Gansu, repelled the vicious and despicable army of about one million soldiers pursuing or blocking it, triumphed over the thin air of icy, snow-covered mountains, passed through vast swamps without a sign of human habitation, and traversed more than ten provinces in a journey of 12,500 kilometers before finally victoriously completing the Long March.

After the main force set forth on the Long March, the Red Army forces and guerillas remaining in the south and north of the Yangtze River

carried on a guerilla war in extremely difficult circumstances through close reliance on the people. The Northwest Red Army, which had set up the Shaanxi-Gansu Border Revolutionary Base Area and the Northern Shaanxi Revolutionary Base Area, and the 25th Army, which was the first to arrive in northern Shaanxi following the Long March, defeated the large enemy army attempting to encircle and suppress it, creating the conditions for the Central Committee to locate its main revolutionary base camp in northwest China. The Anti-Japanese United Army of the Northeast, which fought in northeast China, underground Party organizations in KMT-controlled areas, and all other forces under the Party's leadership waged an extremely hard and bitter battle. They all made indelible contributions to the victorious Long March.

The Long March was a titanic battle between revolutionary and counterrevolutionary forces and between the forces of light and darkness, and it was a great turning point for the CPC and the Chinese revolution, one that reversed setbacks and set them on the path to victory.

Victory in the Long March solemnly announced to the world that, armed with Marxist theory and firmly rooted among the Chinese people of all ethnic groups, the CPC and the people's army it led were invincible.

Victory in the Long March trumpeted the Party's standing, sowed the seeds of revolution, and expanded the influence of the Party and Red Army. The heroic exploits of the Long March greatly aroused the fighting spirit of the whole people and amazed the world.

Victory in the Long March enabled the Party to implement the strategy of deploying north to fight the Japanese and transfer the main force of the Red Army to advanced positions to resist the Japanese, establishing a firm foundation for creating an anti-Japanese national united front and for the Red Army to take on the mission of being the nucleus of the War of Resistance Against Japanese Aggression.

Victory in the Long March preserved and tempered the revolutionary force. The members of the CPC and the Red Army who underwent the trials of the Long March were the most precious treasure of our Party and army, and a large number of them later became key leaders of the Party, army and state.

The greatest significance of victory in the Long March is that it established the leadership of Comrade Mao in the Red Army and in the Central Committee, and then the Party's first central collective leadership with Comrade Mao at its core began to form. This was the most important

guarantee for preserving our Party and revolution in a time of crisis and constantly progressing to new levels.

We are celebrating the victory in the Long March today both in order to reminisce on that glorious achievement of the Red Army and also to bear in mind the lessons of history, foster the revolutionary spirit of the Long March, and continue to carry forward the great cause championed by our older generation of revolutionaries. During the Long March, materials were in extremely short supply and many soldiers lacked even the basic necessities, but members of the Red Army overcame unimaginable dangers and difficulties and finally achieved their strategic objectives. What did they have to draw on? They had the correct leadership of the CPC, the staunch unity of the whole Party and the whole army, the grand solidarity of the army and the people, and the heroic valor and revolutionary spirit that all Red Army soldiers had of always subduing the enemy while never being subdued and overcoming all difficulties while never being overcome.

The Zunyi Meeting, held during the Long March, was a watershed event that reviewed the lessons of the failed resistance to the fifth encirclement and suppression campaign and the serious setbacks suffered at the outset of the Long March, ended the control of the Party by "Left" adventurists, and established the leadership of Comrade Mao in the Red Army and in the Central Committee. The Party, and first of all its central collective leadership, began to consciously understand that only if we integrate basic tenets of Marxism-Leninism with China's concrete realities and independently solve the important problems of the Chinese revolution ourselves can our revolutionary cause succeed. This was an important sign that our Party was becoming theoretically and politically mature. From this point on, the Chinese revolution entered a new phase. Our experience in the new-democratic revolution, in socialist revolution and construction, and in reform, opening up and socialist modernization has repeatedly and fully verified a historical truth: steadfastly integrating the basic tenets of Marxism with China's concrete realities is always the most fundamental ideological foundation for formulating the correct line, principles and policies, creatively doing things our own way, and constantly succeeding in our pursuit of the Party and people's cause.

Under the leadership of the Central Committee with Comrade Mao at its core during the Long March, the Party overcame the "Left" factionalism of Wang Ming,[1] smashed the plot of Zhang Guotao[2] to split the Party and Red Army, and achieved a great revolutionary unity in the entire Party

and the whole army and between the army and the people. In the life-and-death struggle against a powerful enemy and adverse natural conditions, all the armies in the Red Army helped each other and cooperated closely. Members of the Red Army were of one heart and one mind politically and helped each other in their lives. In times of difficulty and danger, they eased the lot of others and gave them hope of survival while reserving difficulties and dangers for themselves. They wrote a glorious chapter in united struggle with their blood and lives. The Red Army gave high priority to its unity with the people and to the unity between ethnic groups. Wherever it went, the Red Army always conducted publicity among the masses, organized and armed them, scrupulously observed mass discipline, and won the support of the people of all ethnic groups. Strong unity guaranteed the victory in the Long March. Today, we need to draw upon and carry forward that great spirit of unity, constantly enhance the unity of the whole Party and the whole army on the basis of the Party's basic theory and line, constantly promote the great unity of all the people and all patriotic forces, and thereby create a great force to achieve socialist modernization and rejuvenate the nation.

The hardships the Red Army endured during the Long March were of a degree seldom witnessed in the world. However, its members never bowed before the countless hardships and endless dangers they faced. The victory in the Long March would have been unimaginable without the revolutionary heroism and optimism with which the Red Army overcame great obstacles and constantly pressed forward. The great Long March imbued the Party and people with its great spirit. This spirit sets the fundamental interests of the Chinese people and nation above all else, fortifies revolutionary ideals and convictions, and firmly believes that a just cause must prevail. This is a spirit that will shrink from no difficulty or danger and is willing to sacrifice everything to save the country and people. It is a spirit that is steadfastly self-reliant, seeks truth from facts and always proceeds from actual conditions. It is a spirit that always focuses on the big picture, observes strict discipline and values unity highly. It is a spirit that depends closely on the people, succeeds or fails together with them, shares their suffering and struggles arduously. The spirit of the Long March is the highest manifestation of China's national spirit of always strengthening itself and never bending, no matter how many setbacks the Chinese nation suffers, and it is a powerful spiritual force that ensures that our revolution and development will go from victory to victory.

At present, the people of all our ethnic groups are united under the Party's leadership in the struggle to develop China into a modern socialist country that is prosperous, powerful, democratic and culturally advanced. We have a long and difficult road ahead of us to achieve this great goal. This is a great new Long March. Our Party has already formulated Deng Xiaoping's theory of building socialism with Chinese characteristics, set out the basic line and a series of principles and policies for the current phase, and formulated a three-step development strategy and a grand trans-century blueprint. What's most important now is to completely and correctly carry all this out and do whatever it takes to achieve victory in this new Long March.

On the eve of the founding of New China, Comrade Mao warned us, "To win countrywide victory is only the first step in a long march of ten thousand *li*. . . . The Chinese revolution is great, but the road after the revolution will be longer, the work greater and more arduous. This must be made clear now in the Party. The comrades must be taught to remain modest, prudent and free from arrogance and rashness in their style of work. The comrades must be taught to preserve the style of plain living and hard struggle."[3] Since the beginning of reform and opening up, Comrade Deng Xiaoping has also repeatedly stated, "This spirit [the pioneering spirit of hard struggle] is necessary if we are to achieve the four modernizations. The fact that China is poor, has weak economic foundations and is backward in education, science and culture means that we have to go through a hard struggle."[4] "During the next 60 or 70 years we must make a point of educating people about the need for hard work and plain living. The more developed our country is, the more we need the pioneering spirit of hard struggle."[5] The kind of thinking that holds that because China's material conditions have improved, it is no longer necessary to live a plain life and struggle hard is completely wrong. The Party's present situation and the responsibilities it shoulders are different than during the Long March and the revolutionary war. At that time we were in the middle of a war, and our main task was to topple the three big mountains[6] oppressing the Chinese people in order to liberate them and achieve national independence. Today we live in a peaceful environment; our main duties are to take economic development as our central task, strive to develop the productive forces and stimulate all-round social progress, make the country prosperous and powerful, and rejuvenate the nation. Our struggle today to develop the country is a continuation of the revolutionary cause championed by the

older generation of revolutionaries. We still have a long way to go before we achieve the magnificent goal of modernization, so at no time can we let our revolutionary fervor cool or lose our spirit of struggle. To thoroughly change the face of a large country like China that has long languished in poverty and backwardness is an extremely difficult and complex task. In the course of achieving socialist modernization, we will inevitably encounter difficulties and risks, so we need to constantly foster the spirit of the Long March and the Party's tradition of plain living and hard struggle.

We need to make the spirit of the Long March an important stimulus in promoting socialist cultural and ethical progress and an important component of education in ideals, beliefs, ideology and morals for the entire population, especially the young. Leading cadres at all levels need to emulate the example of the older generation of revolutionaries, constantly bear in mind the purpose of wholeheartedly serving the people, and maintain and promote the revolutionary work style of integrating theory with practice, maintaining close ties with the masses, and engaging in criticism and self-criticism. They need to consciously transform their subjective world while transforming the objective world, work selflessly for the common good, be honest and upright, and be the first to suffer hardships and the last to enjoy comforts. We need to pass on the spirit of the Long March from generation to generation, inspire and encourage all the people to strive for success, break new ground, and constantly strive to achieve new victories in the new Long March of building socialism with Chinese characteristics.

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[1] Wang Ming (1904-74), also known as Chen Shaoyu, a native of Jinjiazhai (now Jinzhai), Liu'an, Anhui Province, joined the CPC in 1925. He was at one time a member of the Central Committee, the Political Bureau of the Central Committee and its Standing Committee, a representative of the CPC to the Communist International, and Secretary of the Changjiang Bureau of the Central Committee. He was the principal exponent of the mistaken "Left" dogmatism that held sway in the Party from January 1931 to January 1935. At the beginning of the War of Resistance Against Japanese Aggression, he committed Right deviationist mistakes.

[2] "Uphold the Absolute Leadership of the Party over the Army," note 6, p. 484, this volume.

[3] "Report to the Second Plenary Session of the Seventh Central Committee of the Communist Party of China," *Selected Works of Mao Tse-tung,* Eng. ed., FLP, Peking, 1969, Vol. IV, p. 374.

[4] "The Present Situation and the Tasks Before Us," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1995, Vol. II, p. 257.

[5] "Address to Officers at the Rank of General and Above in Command of the Troops Enforcing Martial Law in Beijing," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 297.

[6] "Patriotism and the Mission of Chinese Intellectuals," note 2, p. 127, this volume.

IN COMMEMORATION OF SUN YAT-SEN*

November 12, 1996

We are gathered here today for a grand celebration commemorating the 130th anniversary of Dr. Sun Yat-sen's birth.

Dr. Sun was a great patriot and national hero and a great forerunner of the Chinese democratic revolution. He enjoys high prestige among the people of all China's ethnic groups and all Chinese patriots.

Dr. Sun was a representative of his age. He lived during the late 19th century and early 20th century, during which China was a semi-colonial and semi-feudal society subjected to aggression and bullying by imperialist powers and the corrupt rule of feudal forces. In his youth, Dr. Sun joined the revolution with deep grief and indignation in his heart over China's situation and with passionate patriotic fervor. With a strong voice, he called out to "save the people from misery and prop up our tottering country without delay"[1] and took pains to propagate his revolutionary position among the masses and organize them to join the revolution. Dr. Sun held high the banner of the democratic revolution, and waged an unyielding struggle against bourgeois reformists and royalists. He united revolutionary forces throughout China and launched a number of armed insurrections. Finally, during the Revolution of 1911, he led the people in overthrowing the Qing Dynasty, putting an end to the feudal empire that had lasted for more than 2,000 years in China. This was a signal contribution Dr. Sun made to history.

Encouraged and inspired by the success of the Russian October Revolution, after the May 4th Movement and the founding of the CPC, Dr. Sun came to realize that the CPC and the influential worker-peasant movement under its leadership constituted a firm revolutionary force. With help from our Party, he transformed the old Three People's Principles into the new Three People's Principles and implemented the Three Cardinal Policies of alliance with Russia, cooperation with the Communist Party, and assistance to peasants and workers. He got the KMT and the Communist Party to cooperate and pressed ahead with the democratic revolution against imperialism and feudalism. Comrade Mao Zedong hailed the new Three

* Speech at a meeting commemorating the 130th anniversary of Dr. Sun Yat-sen's birth.

People's Principles and the united front policies formulated by Dr. Sun as his "greatest contribution to the Chinese nation."[2]

Dr. Sun fought all his life for national independence, for the prosperity and strength of the country, for democracy and freedom, and for the happiness of the people. Today when we recall the historical feats he performed for the Chinese democratic revolution and his glorious life during which he worked in utter devotion to transform China, our hearts are filled with a feeling of great reverence for him.

Chinese Communists have always been staunch supporters, cooperators and successors of Dr. Sun's revolutionary cause. In return, he regarded Communists as his good friends. After he passed away, the Communists carried out his behest, united with the people of all our ethnic groups and patriotic forces, and led them in an arduous struggle. After making tremendous sacrifices, we finally completed the democratic revolution he had left unfinished, and transformed it into a socialist revolution, thus fundamentally changing the destiny of the Chinese nation and completely altering the face of China. We are in a position to tell Dr. Sun that the goal of regenerating China, to which he dedicated his entire life, and the modernized China he yearned for are gradually becoming living realities, and we have far exceeded his expectations in many ways.

Dr. Sun has left a rich spiritual legacy to the Chinese nation and the Chinese people. It is particularly worthwhile for us to study, draw upon and carry forward his patriotism, revolutionary will and enterprising spirit in perpetuity.

When China was suffering from domestic turbulence, foreign invasion, poverty and backwardness, Dr. Sun was the first to give voice to the resounding slogan, "Regenerate China."[3] He unequivocally stated that "development is the sole aim of revolution," and he mapped out a blueprint for developing modern industry, communications and agriculture in such writings as the "Plans for National Reconstruction," which showed his brilliant ideas and bold vision for the future development of China. He believed that to catch up with and surpass economically developed Western countries, we should "open China to the outside world"[4] and "learn the strengths of foreign countries,"[5] while emphasizing that "if control over development is in our hands, China will survive; if it is in others' hands, China will perish."[6] He firmly advocated safeguarding our state sovereignty and national unity, opposed all acts designed to divide the motherland, and stated, "Unification is the hope of all Chinese people. If China can be

unified, all Chinese will enjoy a happy life; if it cannot, they will suffer."[7] Dr. Sun's great patriotic spirit and thinking still play an enormous role in enlightening, educating and inspiring the Chinese people who are building a modern socialist country and all our compatriots at home and abroad who are devoted to making the motherland prosperous and powerful and achieving national reunification.

Dr. Sun remained "devoted to the national revolution for 40 years,"[8] and no external threat, internal division or temporary failures could shake his revolutionary will. He said, "I shall press forward with indomitable will; the more setbacks I experience, the more determined and persistent I will become."[9] This is a true portrayal of his revolutionary life. As we build the motherland into a prosperous, strong, democratic and culturally advanced modern socialist country today, we also need to draw upon and carry forward Dr. Sun's indomitable revolutionary spirit of braving hardships and dangers.

Dr. Sun sought truth and progressed constantly throughout his life. No great figures of history can transcend the historical limitations of their times, and Dr. Sun likewise had his limitations. However, he was adept at learning from experience, including failures, and he persisted in his explorations, which enabled him to "adapt to world trends and meet the needs of the masses."[10] This made him a great forerunner of the Chinese democratic revolution. Now as we are entering a new century and working for the great cause of reform, opening up and modernization under our Party's leadership, it is all the more important for us to learn from and vigorously espouse Dr. Sun's commendable spirit of keeping abreast with the times.

Dr. Sun said 72 years ago, "When China becomes powerful and prosperous, we should not only restore the nation to its rightful position but also assume greater responsibilities in the world."[11] Forty years ago Comrade Mao Zedong stated in a speech commemorating the 90th anniversary of Dr. Sun's birth, "China ought to make a greater contribution to humanity."[12] After the reform and opening up policy was introduced, Comrade Deng Xiaoping also stated that China should contribute still more to humanity. These sentiments fully demonstrate the lofty aspirations and broadmindedness of the Chinese nation.

At present, the Chinese people of all ethnic groups are pressing ahead with socialist modernization under the guidance of Comrade Deng's theory of building socialism with Chinese characteristics and the Party's basic line. Our country is becoming increasingly powerful and prosperous

and our society is progressing. We sincerely hope that the people of all our ethnic groups, patriots on both sides of the Taiwan Straits, and patriots at home and abroad who hold Dr. Sun Yat-sen in high esteem will unite more closely and work hard to make our motherland prosperous and powerful, accomplish national reunification, safeguard world peace, promote common development and make still greater contributions to humankind.

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[1] "Charter of the Revive China Society," *Selected Works of Sun Yat-sen*, Chin. ed., People's Publishing House, Beijing, 1981, p. 14.

[2] "Speech at a Meeting Commemorating the 13th Anniversary of Sun Yat-sen's Death and Mourning the Deaths of Officers and Enlisted Personnel Killed in Action in the War of Resistance Against Japanese Aggression," *Collected Works of Mao Zedong,* Chin. ed., People's Publishing House, Beijing, 1993, Vol. II, p. 111.

[3] Sun Yat-sen officially coined the slogan "Regenerate China" in the Charter of the Revive China Society when he founded the society in Honolulu in the United States in 1894. "Charter of the Revive China Society," *Selected Works of Sun Yat-sen*, *op. cit.*

[4] "Speech at a Reception of the Shanghai China Industrial Federation," *The Complete Works of Sun Yat-sen*, Chin. ed., Zhonghua Book Company, Beijing, 1982, Vol. II, p. 340.

[5] "The Three People's Principles," *Selected Works of Sun Yat-sen*, *op. cit.,* p. 690.

[6] "Plans for National Reconstruction," *ibid.,* p. 212.

[7] "A Talk with Japanese Reporters in Kobe," *The Complete Works of Sun Yat-sen*, *op. cit.,* 1986, Vol. XI, p. 373.

[8] "Last Testament," *Selected Works of Sun Yat-sen*, *op. cit.,* p. 994.

[9] "Plans for National Reconstruction," *ibid.,* p. 115.

[10] *Ibid.,* p. 191.

[11] "The Three People's Principles," *ibid.,* p. 691.

[12] "In Commemoration of Dr. Sun Yat-sen," *Selected Works of Mao Tse-tung,* Eng. ed., FLP, Peking, 1977, Vol. III, p. 331.

HEALTH WORK MUST SERVE THE PEOPLE'S HEALTH*

December 9, 1996

This is the first national conference on health work ever convened by the Central Committee and the State Council since the founding of the People's Republic, and it is very important. Its main purposes are to review the achievements we have made and the lessons we have learned in health programs since the founding of the People's Republic, deliberate and revise the draft decision on health reform and development of health programs, and discuss the plan for deepening health reform and accelerating development of health programs to make them better serve the people and contribute even more to socialist modernization.

1. The position and role of health programs in China's economic and social development

Health programs are for the benefit of the people. Health work must definitely be people-oriented and adhere to the fundamental purpose of serving the people wholeheartedly. The Party and the government have always cared greatly about the people's health and viewed it as an important matter. Even during the revolutionary war, the issue of health received high priority. In 1933 Comrade Mao Zedong pointed out in his "Changgang Township Investigation," "Launching mass health campaigns to reduce or even eliminate diseases is the responsibility of each township Soviet government."[1] After the founding of New China, the Party and the government led mass patriotic health campaigns, in which health workers and the masses worked side by side to set up health service networks in both urban and rural areas and eliminate or basically bring under control a number of infectious and endemic diseases that posed a serious threat to the people's health. This marked a historic change in China's overall health work. Large numbers of health workers went to factories, the countryside, remote mountain areas and epidemic regions to treat the sick and disseminate health information. Many inspiring deeds from these campaigns have become celebrated among the masses. All this has led to the emergence of

* Excerpt from a speech at a national conference on health work.

fine traditions and work practices in China's socialist health work.

We have done a great deal of work and acquired a lot of new experience in the health field since the policy of reform and opening up was first adopted. At this conference, we have further clarified the guiding principles for health work in the new period. This work will focus on rural areas, put prevention first, combine traditional Chinese medicine (TCM) with Western medicine, rely on science and education, and mobilize all of society to participate in improving the people's health and serving socialist modernization. The core of this principle is that health work should serve both the people's health and socialist modernization. This is the basic requirement the Party and the government have for health reform and development of health programs, as well as the correct and essential orientation for health work.

The aim of China's socialist modernization is all-round social development and progress, with economic development as the central task. Health programs have an overall effect on economic development and social stability and occupy a unique position in national economic and social development due to their indispensable and irreplaceable role. Making a country strong and prosperous and bringing progress to a nation involves improving the health of the people. Ensuring the people throughout the country have adequate access to health care and constantly improving their overall health are major objectives of economic and social development and cultural and ethical progress and important indicators of a moderately prosperous life, as well as important guarantees for economic development and social progress. We must recognize that leading comrades in some localities and departments still do not adequately recognize the importance of developing health programs. The aim of this conference is to increase awareness of the important position and role of health programs so we can do our health work better.

2. Developing socialist health programs with Chinese characteristics

Our country's health programs must be based on our actual conditions and embody Chinese characteristics. Our health reform must be guided by Marxism-Leninism, Mao Zedong Thought and Deng Xiaoping's theory of building socialism with Chinese characteristics. We must adhere to the Party's basic line, study lessons learned in health work since the founding of New China, especially since the introduction of the reform and opening up policy, learn from the beneficial practices of foreign countries,

adapt to the needs of modernization and develop socialist programs with Chinese characteristics.

Party committees and governments at all levels should include health work in overall planning for economic and social development, put it on the top of their agendas, increase spending on health programs, and ensure that health programs truly keep pace with economic and social development. Health programs serve the public interest. The government should adopt policies to financially support health programs, and the ultimate objective of health reform and development of health programs should always be social benefits. The goal of health reform is to invigorate health programs, fully unleash the enthusiasm of health institutions and health workers, and constantly improve the quality and performance of health services so that health programs can better improve the people's health and serve socialist modernization. One task now before us is to accelerate the reform of the health management system, the health service system and the way health institutions operate, and energetically reform the government system for ensuring medical benefits for urban workers.

We must focus on the following factors in our work of developing socialist health programs with Chinese characteristics.

First, we need to focus on improving health work in rural areas. Comrade Mao long ago said, "We should focus on the countryside in efforts to improve medical care and health work."[2] An overwhelming majority of our country's population live in rural areas, where medical care and the health infrastructure are weak and relatively backward. The overall situation of health services in our country will not change significantly unless we do our health work in the countryside well. A solid foundation exists for a three-tiered network of medical care and preventative medicine facilities in the countryside at the county, township and village levels due to decades of unremitting efforts. There are now a good number of doctors in rural areas, substantial progress has been made in primary health care work, and the overall health of rural residents is constantly improving. However, considering the situation in the country as a whole, the weak foundation for rural medical care and health work has not yet fundamentally improved. Some rural residents are too poor to seek medical care and some have been driven into or back into poverty because of illness, and thus illness is an important factor restricting their escape from poverty. The trend is for the gap in medical care and health conditions and the general level of the people's health between urban and rural areas and between different regions to

continue to widen. This issue demands our attention, and we must make a conscientious effort to study it and find solutions.

Party committees and governments at all levels are duty-bound to effectively carry out health work in rural areas and safeguard and improve the health of rural residents. Rural health work is vital for deepening rural reforms, promoting comprehensive, balanced economic and social development in rural areas, and further promoting material, cultural and ethical progress in the countryside. In poverty-stricken areas, it is especially important to combine poverty alleviation and development with health work. Currently, cooperative medical services are under development in many rural areas, much to the appreciation of local residents, who call them "projects that win the hearts of the people" and "benevolent government." It appears that the key to improving health work in rural areas is to develop and improve the rural cooperative medical care system. This conclusion is drawn from years of experience and is in line with China's conditions and the wishes of rural residents. We need to further unify our thinking, strengthen leadership and work vigorously but soundly to successfully implement this system.

Second, we need to emphasize preventive medicine. Putting prevention first is an important lesson we have learned from our health work since the founding of New China. We eliminated smallpox in China in the early 1960s, over a decade earlier than its elimination worldwide. We will eliminate polio and other diseases that pose a great threat to the people's health, especially children's, in the 1990s. The successful implementation of a child-inoculation plan has protected the health of hundreds of millions of our country's children to varying degrees. These achievements are all the result of placing prevention first. Preventive medicine is inexpensive and effective, so we must give it top priority in our health work. We need to continue working to raise awareness of the importance of prevention and earnestly work to implement all our preventive medical measures. Some infectious and endemic diseases that we previously eliminated are now resurfacing and even spreading in some areas, and a number of new and very dangerous infectious diseases have emerged. This situation requires our very close attention and demands that we concentrate efforts on preventing and controlling them.

Third, we need to develop TCM, and give equal weight to it and Western medicine. The Party and government have always recognized the importance of using both modern Western medicine and TCM. TCM is

a treasure among the Chinese nation's fine traditions and culture. It has developed significantly thanks to the hard work of TCM practitioners. Party committees and governments at all levels should continue working to improve their leadership in matters relating to TCM. We need to properly balance the knowledge that has been handed down with innovation by conscientiously carrying forward the features and advantages of TCM, while boldly innovating. We need to actively use modern science and technology to develop the theory and practice of TCM and modernize it in order to better safeguard and improve the people's health. Practitioners of TCM and Western medicine should work more closely together, learn from and complement each other, and promote the integration of TCM with Western medicine.

Fourth, we need to improve the skills of medical practitioners through reliance on advances in science and technology. Medical care and health work are technology-intensive professions. Prevention and control of disease and improvement in the quality of medical care and health services are closely linked to advances in medical science and technology and the training of medical personnel. We must firmly implant the concept of developing health programs through advances in science and technology. To treat diseases that pose the greatest threat to our people's health, work in medical science and technology should focus on key fields, concentrate on key problems, and strive to make breakthroughs in key applied research, basic research and high-tech research. Our country has a large contingent of outstanding personnel who have long dedicated themselves to the field of medical science. We must encourage them to aspire to catch up with and surpass the advanced international level of medical science and technology and make positive contributions to the progress of medicine for our motherland and all of humankind. We must promote the widespread application of advances in science and technology, particularly those suited to conditions at the primary and village level, to constantly raise the overall level of medical services, preventive medicine and health care in China.

The ideological standards and professional competence of health workers have a direct bearing on how well they provide health services to the people. We need to adopt effective measures to promote medical education, including continuing education, set up a sound mechanism for training health workers and getting them to fully play their role, and develop a multilevel, well-structured contingent of health experts and technicians in line with the conditions of our country and the needs of society. We need

to strongly urge health workers to diligently study areas of their specialization and constantly improve their professional skills. We particularly need to strive to produce leaders in the fields of academia and technology, and health management personnel oriented toward the 21st century. Governments at all levels and relevant departments need to show concern for health workers, earnestly seek to improve their working, studying and living conditions, and fully arouse their enthusiasm for their work.

Fifth, we need to mobilize all of society to participate in patriotic health campaigns. As society has developed and science and technology have advanced, humans have gradually deepened their understanding of the factors affecting their health, and the scope of health programs has constantly expanded. Many factors affect human health, and the impact the living environment, public sanitation conditions and unhealthy habits such as smoking and alcohol abuse have on human health, in particular, has aroused widespread concern in society. We cannot simply depend on health departments to control and ameliorate these factors. Therefore, all departments need to attend to health issues and help foster a concept of wellness in society. Launching mass patriotic health campaigns is an innovation of our country's socialist health programs and plays a key role in improving environmental sanitation conditions in urban and rural areas, as well as enhancing the people's knowledge about health matters and improving their health. We need to draw upon and carry forward this fine tradition. In our health work, we need to continue to emphasize making cities healthy places to live, increasing health awareness among the more than 800 million rural residents, and improving rural water supplies and lavatories, while redoubling our efforts in these areas and integrating them with the work of building culturally advanced cities, towns and villages. We need to continue teaching health information to the masses to raise their awareness of health issues and their ability to protect their own health. We need to popularize health knowledge among the masses and teach and guide them to acquire good health habits and advocate healthy, civilized lifestyles. In short, we need to work hard in all areas and do our health work even better, so we can continue to improve the health of the people through government guidance, interdepartmental coordination, support from society and individual participation.

3. Working to develop a contingent of high-caliber health workers

Our country currently has more than five million health workers. Under the leadership of the Party and the government, they have made a tre-

mendous contribution to improving the people's health and established a fine medical ethics tradition since the founding of New China. At the same time, we must also recognize that the general competence of our health workers is unequal to the demands of socialist modernization. Under the conditions of developing a socialist market economy, many advantageous factors facilitate our health work, but it is inevitable that negative ones also exert their influence. The professional ethics of health workers is being put to new tests. How should they purposefully resist the influence of unhealthy tendencies and increase their commitment to serving the people wholeheartedly are current issues that we still need to work on.

First of all, we need to focus on improving the ideology, organization and work style of health institutions' leading bodies as well as the education and management of Party members active in the health field. We need to get Communist Party members to play an exemplary role in improving the professional ethics of health workers and promoting the professional guidelines of giving succor to the dying and treating the wounded, loving and having respect for their profession, being full of enthusiasm, working in a pioneering spirit, seeking perfection, selflessly giving of themselves and providing civilized medical services. The ancients believed that doctors could not effectively practice medicine if they did not have high moral standards. Everything health workers do affects the health and safety of their patients, and everything they say and do affects their image in society. We need to strongly commend model individuals and organizations, teach health workers to learn from Norman Bethune[3] and other exemplary doctors like him, and foster high standards of medical ethics and honesty in the profession. The Ministry of Health recently set forth ten requirements for improving the medical services provided by hospitals.[4] I think they are good ideas and should be conscientiously implemented.

It is the sacred duty of the Party to be responsible to the people. Developing health programs is a concrete manifestation of the fundamental purpose of the Party and the government to serve the people. Party committees and governments at all levels and everyone working in the health field must conscientiously implement the Decision of the CPC Central Committee and the State Council on Health Reform and Development of Health Programs, and keep up the good work for even greater progress in improving the people's health.

[1] "Changgang Township Investigation," *Collected Works of Mao Zedong,* Chin. ed., People's Publishing House, Beijing, 1993, Vol. I, p. 310.

[2] "Major Issues in Medical Care and Health Work," *Mao Zedong's Works After the Founding of the People's Republic of China*, Chin. ed., Central Party literature Publishing House, Beijing, 1996, Vol. XI, p. 387.

[3] "Leading Cadres Must Stress Politics," note 2, p. 447, this volume.

[4] In November 1996 the Ministry of Health laid out ten requirements to revamp the medical industry by putting patients first and ensuring quality service and to achieve the goal of serving the people. The requirements were in line with the guiding principles of the Resolution of the CPC Central Committee on Certain Important Questions Concerning Further Promoting Socialist Cultural and Ethical Progress adopted at the Sixth Plenary Session of the Fourteenth Central Committee and were designed to improve the services provided by medical institutions and better meet the needs of the masses. The requirements mainly called on hospitals to put the interests of patients first in all their work and provide them with quality service, to give proper physical examinations, use drugs appropriately and reduce patients' medical expenses wherever possible, to refrain from adding unnecessary and illicit charges to their bills, and to refrain from purchasing or using counterfeit, substandard or expired drugs.

RESPOND TO THE CHALLENGES OF WORLD MILITARY DEVELOPMENT IN A SPIRIT OF REFORM AND INNOVATION*

December 14, 1996

New and high technologies are currently developing very rapidly around the world. For example, information technology based on microelectronic, computer, artificial intelligence and communications technologies; areas of biotechnology such as genetic engineering; new materials technology such as composite and high-temperature materials; new energy technology; and space technology are all developing rapidly. Microelectronic technology, for example, in the short space of 20 plus years, has progressed from large-scale to very-large-scale then to ultra-large-scale integration and has now reached the stage of giga-scale integration. That means that hundreds of millions of components can be integrated on a silicon chip the size of a postage stamp (350 square millimeters). The fifth generation of computer systems has already been developed. Last month, Japan exhibited a computer in the United States that can perform 600 billion calculations per second. It is presently the world's fastest computer. The wide application of new and high technologies is profoundly changing the world, not only socially and economically but also militarily, and is ushering in revolutionary changes in the military sphere. Weapons and equipment are becoming more computerized, intelligent and integrated and are being combined into organic systems. This greatly enhances their long-range attack capability, gives them unprecedented attack accuracy and exponentially increases their ability to inflict casualties. Forms and tactics of war have adopted new characteristics, and operations deep inside enemy territory and nonlinear operations may become the norm in high-tech warfare. We used to stress integrating land, sea and air forces, but now we must integrate land, sea, air and space forces. In particular, seizing information superiority or even information dominance will become a focus in warfare. Major changes and reforms are also occurring in military organizations. Combat units are becoming highly integrated and tending to become smaller, lighter and more versatile. The number of vertical levels in the command system

* Excerpt from a speech at an enlarged meeting of the Central Military Commission.

has been reduced so that it can function more flexibly and efficiently. In response to this development trend, the major countries of the world are all accelerating efforts to modernize their armed forces, and entering a new phase of competition based on high-tech development. In light of this situation, it seems likely that some major countries and regions of the world may make new breakthroughs in the quality of their armed forces sometime around 2010.

The trend toward intense military development occurring in the world poses a tough challenge for us to improve our army's quality and military preparedness. After several years of deliberation following the Gulf War,[1] we formulated a military strategy for the new period in early 1993, which takes winning local wars fought under modern technological conditions, especially high-tech conditions, as its foundation. Guided by this military strategy, we decided last year to shift the focus of army building from increasing quantity and scale to enhancing quality and efficiency, and from being manpower intensive to being science and technology intensive. All of this is absolutely correct.

Here, I would like to solemnly point out to all of you that all army building, including military training, political work, logistics support and defense-related research, must be guided by the military strategy for the new period, based on winning future local wars fought under modern technological conditions, especially high-tech conditions, and thoroughly executed in accordance with detailed plans and overall arrangements. In other words, all our army building must be subordinate to and serve the requirements of this military strategy, and full preparations must be undertaken in every area to ensure its successful implementation. All army units, leading bodies at all levels, and officers and enlisted personnel must promptly launch an extensive, thorough and long-term initiative to study modern science and technology, especially high technology. This initiative must be closely integrated with the study of Marxism-Leninism, Mao Zedong Thought, and Deng Xiaoping's theory of building socialism with Chinese characteristics and with the study of Mao's military thinking and Deng's thinking on army building in the new period. Participants in this initiative must cultivate a spirit of squeezing out time from their busy schedules to delve into pertinent topics, study diligently and earnestly, exchange views with each other, and compete with each other to learn more and study to greater effect. When they have obtained a solid grasp of these theories and fields of knowledge, their ideological standards will also rise, they will be

more united, new vistas will open up in their work, and there will be no room for negative phenomena or bad practices to emerge. In short, there is a big difference between studying and not studying and between studying halfheartedly and studying diligently. That is why I never stop emphasizing the need to study, study, then study some more. If we are armed with correct ideological theory and modern science and technology, especially high technology, our effort to build a more revolutionary, modern and standardized army is sure to succeed, and the army's quality and combat capability will be greatly improved.

The gap between our army and the armies of the developed Western countries in terms of weapons and equipment, intelligence reconnaissance, communications, command and control, joint operations, logistics support and other basic aspects is currently relatively large. Comrade Deng noted long ago that our army was incapable of fighting a modern war and that our cadres at all levels lacked the ability to direct a modern war. This problem remains fundamentally unresolved. Responding to the challenges of world military development is therefore a historical responsibility we cannot shirk. An important task now confronting everyone in the army is to greatly improve its quality by taking advantage of currently favorable conditions, such as the unlikelihood of war for a long time to come and the rapid development of the Chinese economy.

First, we should work to develop our own military theory that takes the actual conditions of our army as its starting point and is geared to the world and the future. Having an advanced military theory has always been a necessary condition for ensuring sound army building and an important factor for victory in war. The profound changes taking place in the realm of modern military affairs are stimulating development and innovation in military theory. Many countries in the world are now focusing strongly on research on military theory, and this area of research is now flourishing. New theories and ideas about the armies and warfare of the future, which can also be said to be the armies and warfare of the 21st century, are emerging in quick succession and paving the way for great theoretical breakthroughs. We have achieved some gratifying results in recent years in our research on military theory. We must be aware, however, that our research is still far from being intensive and systematic enough, especially in the area of high-tech warfare, and that we have not produced many substantive results. Some of you comrades can see that our military hardware, such as weapons and equipment, is backward, but overlook our inferiority

in the important software of military theory and are insufficiently aware of the importance and urgency of developing a military theory. We are bound to suffer great losses in the future if we do not correct this problem of awareness. Our military theory with Chinese characteristics, mainly based on Mao's military thinking and Deng's thinking on army building in the new period, took shape over a long period of actual military experience. It is in essence a system of military thinking that developed in response to changing conditions and is therefore full of vitality. With Mao's military thinking and Deng's thinking on army building in the new period serving as our guide, we must draw lessons from military developments in the outside world and our past experience in army building, emancipate our minds, dare to explore new paths and advance new ideas to raise our research on military theory to a new level. We need to focus our theoretical research on trends in world military development and on understanding the features and nature of high-tech warfare and make our research more future-oriented, practical and comprehensive. We need to conduct research on how to defeat enemies and win battles with our existing military equipment and focus particularly on strengthening research on strategies and tactics for a people's war fought under high-tech conditions. We need to study the major practical issues concerning our army building and reform, and seek approaches and methods to resolve conflicts and problems emerging under these new circumstances so that our research best serves our army building and military preparedness objectives.

Second, we need to make every effort to develop our weapons and equipment to meet the challenges of world military development. Although we have made remarkable improvements in our weapons and equipment in recent years, in general they still lag far behind those of developed countries. With the country's financial resources so strapped, only limited funding is available to develop weapons and equipment. The key is to use the limited funds we have where they are most needed and will produce the greatest results. I believe we should first of all concentrate funding on support for scientific research so we can keep pace with high-tech development in the world. We need to continue cutting back our areas of development by focusing on key areas and allocating human, material and financial resources to large undertakings. We need to rely principally on our own efforts while selectively introducing key equipment and technologies from abroad. The need to streamline the system of scientific research, production, purchasing and maintenance for weapons and equipment is an

important issue here. Because we have not streamlined the system, we have wasted funds and lost time. The system cannot be streamlined overnight, so good management of the current system is essential to reduce losses and improve performance. We have an economic slogan, "Improve results through better management." In developing defense-related research and production, we must also improve results through management. Good management can produce twice the results with half the effort using the same amount of human, material and financial resources, whereas poor management will produce half the results with twice the effort. Scientific management can reinvigorate both our country and the army. In the past, comrades Zhou Enlai, Deng and Nie Rongzhen[2] repeatedly emphasized the need to improve the administration of defense-related research and production. For many years, leading cadres, experts, experimental army units and ordinary employees that develop defense technology have maintained a spirit of self-reliance, hard struggle, and selfless dedication and have worked diligently and carefully to make outstanding contributions to improving our national defense and army. We must continue to carry forward these fine traditions, improve management and ensure quality. The issue of quality is extremely important, especially with advanced weapons and equipment, and if we fail to stress quality, the failure of one small part could cause huge problems and the occurrence of a major accident could result in the loss of tens or hundreds of millions of yuan. A poor country like China can ill afford such losses. In short, we always have to attend closely to management and quality, and not slacken for even one minute. Quality oversight for defense contractors must be strengthened. Every army unit must maintain its allocated equipment in good condition.

Third, looking at world trends in military development, it is obvious that our army has serious structural and staffing problems. We must therefore continue to actively yet carefully adjust and reform our military structure and staffing. Many of our previous reforms in these areas produced successful experience, while we drew lessons from the failure of others. One important reason why the results from past reform efforts were disappointing is because we did not evaluate them sufficiently or because, although the direction of reform was correct, we failed to adopt necessary supporting measures. Of course, reform is a process of constant trial and error, so some mistakes are inevitable, but we must do everything we can to reduce mistakes by evaluating matters more thoroughly and making decisions more scientifically. When making overall plans, we need to cor-

rectly understand and balance the relationship between carrying on our fine traditions and promoting innovation, the relationship between drawing on the experience of foreign armies and maintaining our own characteristics, the relationship between adjusting and reforming the army and implementing overall reform of the country, and the relationship between deepening reform of the army and maintaining its stability. In short, we need to closely focus on the overall target of building a strong army that is revolutionary, modern and standardized, and work hard to create an army whose size is appropriate, whose organization is more rational and whose command structure is more nimble. We should strive to make the army more capable, integrated and efficient, and its leadership more centralized and unified to promote better education, training and management, and to prepare for any potential future war. We need to focus on adjusting the structure of the army and reforming its command system so that army units are more capable of conducting joint operations and maneuvers and carrying out a variety of tasks. Leading cadres and leading bodies at all levels must have a strong sense of responsibility to the Party and the army, look at the big picture, subordinate the interests of the part to those of the whole, have a correct attitude toward any adjustments or streamlining actions in their individual units or systems and any promotions or demotions they might receive, and resolutely carry out decisions made by the Central Military Commission.

Fourth, training is essential in order to ensure that the results of military theoretical research, development of weapons and equipment, and adjustment and reform of army structure and staffing improve combat capability. Therefore, education and training must be a strategic priority. For quite a long time to come, equipment incorporating advanced technology will comprise only a small proportion of all the army's weapons and equipment, with the vast majority depending on more traditional technology. Therefore, the thrust of our military training must be to make optimal use of existing equipment to defeat more powerful enemies armed with equipment based on advanced technology. We have always stressed the need to become more confident in our ability to win battles with existing military equipment. Where does this confidence come from? Its fundamental source is training that improves tactics and finds ways to defeat a high-tech enemy. Party committees at all levels and leading military and political officials must devote their energy first and foremost to improving military training and ensure that training tasks are carried out. We must

make whether and how well training tasks are carried out a major criterion for judging the competence and performance of Party committees and leading cadres. In order to ensure that training prepares our troops for actual combat and enhances their overall combat capability, we must temper them by giving them difficult and strict training exercises that simulate actual combat, and prevent and correct the bad practice of letting training quality slip for the sake of safety. It is almost inevitable that some accidents occur during training, and we must try our best to reduce their incidence, but not at the cost of easing the rigor of training. The military maneuvers carried out this year along the southeast coast were successful. They not only greatly boosted the prowess of our country and our army, but also allowed us to assess the quality of training and the army's combat capability. We must conscientiously learn from our experience, build on our successes and overcome our shortcomings to further raise the quality of our army's training. Personnel are the key to meeting the challenges of world military development. Without large numbers of high-caliber personnel, it is not possible to make full use of new weapons and equipment or create and use new tactics, nor is it possible to be victorious in a future war. Training of personnel is a long-term task, and a matter of greatest urgency. New- and high-tech equipment cannot be developed overnight, but personnel training needs to come first. It is better to train personnel before developing new equipment rather than the other way around. We need to step up training of troops and military students to cultivate more personnel, especially command personnel who have a firm grasp of high technology.

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[1] "Concerning Our Military Strategic Principle and Issues of Defense Technology," note 1, p. 141, this volume.

[2] Nie Rongzhen (1899-1992), a native of Jiangjin, Sichuan Province (now Jiangjin, Chongqing), joined the CPC in 1923. He served as a member of the Central Committee, member of the Political Bureau of the Central Committee, Vice Chairman of the Central Military Commission, and Vice Chairman of the Standing Committee of the NPC. He became Vice Premier of the State Council in 1956 and after 1958 concurrently served as Director of the Science and Technology Commission for National Defense of the Ministry of National Defense and Minister in Charge of the State Science and Technology Commission. He was in charge of research in science and technology and sophisticated weaponry for a long period of time.

ESTABLISH A SOUND BASIC ECONOMIC SYSTEM WHEREBY PUBLIC OWNERSHIP IS DOMINANT AND ECONOMIC ENTITIES UNDER DIVERSE OWNERSHIP FORMS DEVELOP SIDE BY SIDE*

January 17, 1997

Our country's basic economic system for the primary stage of socialism is one whereby public ownership is dominant and economic entities under diverse ownership forms develop side by side. A major task of economic restructuring is to constantly improve and develop this system through reform.

1. One basic lesson that the Party has learned through long experience is the importance of keeping public ownership in the dominant position while allowing economic entities under diverse ownership forms to develop side by side. Therefore we must establish this as the basic economic system during the primary stage of socialism, and we cannot vacillate on this under any circumstances. Two considerations prompted the decision to establish this system. First, as a socialist country, China must keep public ownership in the dominant position. Second, because China is in the primary stage of socialism, it must allow economic entities under diverse ownership forms to develop side by side. As long as public ownership remains dominant, any form of ownership compatible with the "three favorables"[1] should be employed to serve socialism.

2. Reform means the self-improvement and self-development of the socialist system. It also means adjusting relations of production and aspects of the superstructure that hinder the liberation and development of the productive forces. Improving the basic economic system whereby public ownership is dominant and economic entities under diverse ownership forms develop side by side and deepening SOE reform are key tasks in economic restructuring and have a vital bearing on the success or failure of the socialist market economy.

3. We need to fully understand what the public sector of the economy

* Excerpt from a speech at a meeting of the group in charge of drafting documents for the Fifteenth National Congress of the CPC.

includes in the new circumstances. In terms of total assets, the public sector includes both the conventional state and collective sectors of the economy, as well as state- and collectively-owned portions of mixed ownership enterprises. In terms of the form of assets, the public sector includes both pure state and collective sectors, as well as joint stock companies and joint stock partnerships in which the state or collective party holds the controlling stake. The state and collective sectors have expanded and developed significantly since the introduction of the reform and opening up policy. In addition, publicly owned elements of mixed ownership enterprises have also significantly expanded and developed as a result of reform.

4. For a long period of time after the founding of the People's Republic, due to our policy mistakes, we made premature moves in ownership restructuring on several occasions after which we had to adjust our policies. Experience has shown that making these changes was actually a step forward, not backward, and was necessary to develop the productive forces. After the Third Plenary Session of the Eleventh Central Committee, the Party comprehensively studied the ownership structure and formulated the principle of keeping public ownership in the dominant position while letting diverse economic sectors develop side by side. This allowed us to follow the correct path and remove the factors resulting from an incongruous mix of ownership types that restrained the liberation and development of the productive forces. The whole Party should fully grasp and absorb this important lesson.

5. The Decision on Certain Questions Concerning Establishing a Socialist Market Economy, passed at the Third Plenary Session of the Fourteenth Central Committee, contains three requirements and one condition for flexibility concerning the dominant role of the public sector of the economy. The first requirement is that state and collective assets must account for the majority of the total assets held by all of society. The second is that the state sector must control the country's economic lifeblood. The third is that the state sector must play the leading role in economic development. The condition for flexibility is that different localities and different industries may fulfill these requirements in different ways, so that some leeway exists in implementing them. During this primary stage of socialism, state and collective assets should not only account for the majority of total assets, but even more importantly, they should be of the highest quality. The dominant role of the state sector mainly manifests itself in its ability to regulate the economy.

6. We need to work out a strategic solution for the distribution of the state sector of the economy. In industries and types of enterprises that affect the economic lifeblood and have an overall impact, the state sector must be dominant. This is necessary to ensure the stable development and security of the economy. For other industries and types of enterprises that are less crucial to the economy, the scale of the state sector may be appropriately reduced through asset reorganization and restructuring, allowing state assets and funds to be transferred to areas that are more important or where they are more needed. Some of these assets and funds may be invested in cooperative ventures with partners from other sectors of the economy.

7. We need to seek out different forms of public ownership that can greatly promote the growth of the productive forces. The central leadership made it clear long ago that public ownership could assume a variety of forms. There are two questions that make proper understanding and theoretical investigation of this issue difficult. First, does introducing the stock system mean we are promoting privatization? Second, should a joint stock partnership be considered a form of public or private ownership?

8. We cannot make a blanket statement that all joint stock enterprises are either public or private. Three theoretical points made by Marx, Engels and Lenin are worth noting here. First, the joint stock system is necessary for the development of socialized mass production. Second, the joint stock system stands in contrast to capital held by individuals, tends to reduce its impact and is a form of capital held by society. And third, a financial oligarch with monopoly capital can exercise financial control over an amount of capital shares several times or even many times larger than what he or she owns directly by making use of the joint stock system. From this reasoning we can reach several conclusions. First, as a form of corporate organization or capital organization in the development of a modern economy, the joint stock system can exist under socialism just as well as under capitalism. Second, the joint stock system serves to separate ownership from management and tends to improve the competitiveness and performance of enterprises and their capital operations. Third, whether a joint stock company should be considered publicly or privately owned is determined by the sector that holds the controlling share. Under socialism, the government can exercise control of joint stock companies by holding enough shares or other financial means while keeping public ownership in the dominant position.

9. The joint stock partnership system is a new public type of ownership. A joint stock economic sector that relies primarily on pooling the labor and capital of workers has emerged in both urban and rural areas of the country. This new phenomenon, which has emerged during the country's economic development, deserves active support. The joint stock partnership system is a new type of ownership that clearly has a social and public character, and is thus not a type of private ownership. We should encourage the socialization of individual capital through joint stock partnerships. This would also benefit development of the productive forces.

10. Improving the ownership structure is a major but sensitive reform affecting the economic system. It must be well led and carried out in a step-by-step, active yet careful manner, so we cannot simply rush into action. We should encourage experimentation, constantly learn from our experience, provide effective guidance and focus on standardization. In addition, we need to implement reform in conformity with the objective laws of economics, making use of market forces and restructuring rather than seeking quick but counterproductive results through administrative measures.

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[1] "Reform State-Owned Enterprises the Chinese Way," note 2, p. 443, this volume.

VIGOROUSLY FOSTER THE SPIRIT OF HARD STRUGGLE*

January 29, 1997

Since the Third Plenary Session of the Eleventh Central Committee, the Central Committee and Comrade Deng Xiaoping have constantly stressed that leading cadres must arduously struggle, maintain intimate contacts with the masses, advocate thrift and strict economy, and oppose extravagance and waste. However, this issue has generally not been taken seriously. Many localities and departments do not emphasize it enough, and extravagance and waste prevail there. Extravagance and waste are a manifestation of negativity and decadence, as well as a breeding ground where corruption can sprout and spread. If we do not take this problem seriously now and resolutely correct the situation, the consequences would be unimaginable.

Our country has a large population, a weak foundation, and limited per capita resources and our overall national strength is weak. We will encounter many difficulties and new problems on the road ahead and will face pressure from the economic and technological superiority of developed countries. If we are to achieve socialist modernization and reach the level of developed countries, we must struggle arduously for decades or even longer. At present, 58 million Chinese rural residents still lack the basic necessities of life, and it is a formidable task to ensure our rural population makes steady progress in casting off poverty and becoming prosperous. In addition, a significant number of SOEs are experiencing business difficulties and are not profitable, several million workers in China are not paid in full and on time, and the number of laid-off workers seeking new employment is increasing. In these circumstances, leading departments and leaders at all levels and our cadres should consciously foster the spirit of hard struggle and frugality. They have no grounds whatsoever for being extravagant and wasteful or for squandering state and public funds. At the very beginning of reform and opening up, Comrade Deng frequently referred to experiences from the revolutionary war and

* Excerpt from a speech at the Eighth Plenary Session of the CPC's Central Commission for Discipline Inspection.

the period of overcoming difficulties in the early 1960s to educate all Party members and cadres at all levels. He said, "How is it that we were able to overcome all those difficulties and hardships? Basically it's because our cadres and Party members shared the hardships with the masses."[1] History does not lend itself to simple analogies, but this much is the same: no matter whether we are in difficult circumstances or relatively good living conditions, our cadres and Party members need to experience good and bad times with the people, breathe the same air as them and share their fate. This absolutely cannot change. We are not advocating egalitarianism, but we must always bear the masses in mind. At present, the overall situation is good, but there are difficulties and dangers on the road ahead. Party members and cadres, and leading cadres in particular, need to stay clearheaded, always uphold the fine tradition of hard struggle, not become estranged from the masses, and always worry about their safety and wellbeing. If they do, we will be able to overcome whatever difficulties or dangers we encounter. In recent years, every time we suffered a natural disaster, comrades from the army and county and municipal leaders rushed to the frontlines and joined the masses in the rescue work. At these times, many older men and women naturally compared the situation to that of the old society and felt that the CPC really does ardently love the masses. Spring Festival is rapidly approaching, and leading cadres at all levels should go to enterprises undergoing difficulties and impoverished areas to visit workers, farmers and intellectuals and express their sincere solicitude. Leading cadres need to maintain close bonds with the masses under all circumstances and energetically assist them in solving practical problems in their work and lives. We must never forget the masses or become estranged from them. If we wholeheartedly and sincerely identify with them and arduously struggle along with them, our cause will constantly progress from one success to another.

The Party's nature and the historic mission it shoulders determine that hard struggle constitutes its inherent character. It will take a long period of struggle for the Party to realize its lofty ideal. Party members and cadres need to foster the spirit of hard struggle under all circumstances and constantly drive forward without pause. Here I would like to bring to your attention something Comrade Mao Zedong said at the Second Plenary Session of the Seventh Central Committee, "With victory, certain moods may grow within the Party — arrogance, the airs of a self-styled hero, inertia and unwillingness to make progress, love of pleasure and distaste for con-

tinued hard living." He added, "It has been proved that the enemy cannot conquer us by force of arms. However, the flattery of the bourgeoisie may conquer the weak-willed in our ranks. There may be some Communists, who were not conquered by enemies with guns and were worthy of the name of heroes for standing up to these enemies, but who cannot withstand sugar-coated bullets; they will be defeated by sugar-coated bullets."[2] Some phenomena in recent years reveal that a significant number of weak-willed Party members and cadres have indeed had their minds clouded by the great success in reform, opening up and modernization. This is a profound lesson. Comrade Mao also demanded on several occasions that all Party members and cadres at all levels must adhere to the policy of building up our country through diligence and thrift. He stated, "To make China prosperous and strong needs several decades of hard struggle, which means, among other things, pursuing the policy of building up our country through diligence and thrift, that is, practising strict economy and fighting waste."[3] This shows that both before and shortly after the founding of the People's Republic, Comrade Mao repeatedly stressed this issue. Since the adoption of the reform and opening up policy, Comrade Deng has also repeatedly admonished the whole Party, saying, "If China is to achieve the four modernizations, we must work with a pioneering spirit of hard struggle."[4] He also said, "During the next 60 or 70 years we must make a point of educating the people about the need for hard work and plain living. The more developed our country is, the more we need the pioneering spirit of hard struggle."[5] In 1989, he further noted that over the last ten years, "Our biggest mistake has been in the area of education. Political and ideological work has been weakened. . . at a time when the economy was expanding and the standard of living rising, we failed to tell our people, including the Communist Party members, that they should still maintain the tradition of hard struggle. This is the only way to resist corruption."[6] Comrades Mao and Deng's earnest instructions on hard struggle and building our country through diligence and thrift should become a maxim for every comrade.

The Chinese nation has always been renowned as hard working, thrifty and undaunted by hardship. Many overseas Chinese endured great adversity in the beginning and could not even understand the local language, but by relying on the Chinese nation's pioneering spirit of hard struggle and its spirit of hard work and thrift, they established themselves after many years of hard work. Chinese ancients said, "Trials and tribulations can

lead to triumphs."[7] "You can save the country through worry and toil, but will lose yourself through leisure and pleasure."[8] "Life springs from sorrow and calamity, and death from ease and pleasure."[9] These maxims still hold profound lessons for readers today. We need to use them to educate our comrades. The CPC is a faithful practitioner of Marxist truth and the true heir to the Chinese nation's fine traditions. During the long struggle leading our country's revolution and construction, our Party always upheld the spirit and ethos of hard struggle and self-improvement and the revolutionary will of braving countless perils and suffering endless misery without yielding. This is an important reason why we were able to win victory after victory. The older generation of proletarian revolutionaries, including countless revolutionary martyrs, were shining examples of hard struggle. While interned in an enemy prison, Comrade Fang Zhimin[10] wrote "Death — a Memoir of a Communist Martyr," which contains this passage: "For the sake of the liberation of our class and nation and the success of our Party's cause, I have no desire to live in a magnificent castle, and would rather live in a humble, damp, thatched shed; I have no desire for a Western-style banquet, and would rather eat maize and vegetable roots that scratch your mouth when you chew and swallow them; and I have no desire to sleep on a bed with springs and a soft mattress, and would rather sleep in a pigsty or dog pen. . . . I can endure all the unendurable hardships in life! They cannot shake my resolve in the least. On the contrary, they temper my will. I can forsake everything, but I cannot forsake the Party, my class and the revolutionary cause." What kind of revolutionary faith this is! What kind of noble sentiment this is! My purpose in reciting this passage is not to persuade everyone to lead the kind of life Fang did, but merely to say that all of our comrades need to have this kind of spirit and this kind of awe-inspiring righteousness.

Material poverty is not socialism, and neither is spiritual emptiness. Socialism not only enriches people's material lives, but also uplifts them spiritually. Some Party members and cadres, including leading cadres, pursue and imitate the Western decadent lifestyle, worship money and are hedonistic. This is very dangerous. In Western countries today, some statesmen and insightful people are deeply troubled by Western social problems, such as widespread hedonism, degenerate thinking and spiritual decadence. A book by an American author entitled *Social Problems in the Western World* states that the theoretical basis of Western freedom is hedonism; that is, the purpose of life is the pursuit of sensual pleasure.

Hedonism and egocentrism are worsening in Western society day by day, and have already been the causes of countless social evils and enormous economic losses. According to the author, a country must be advanced both materially and spiritually if it is to be powerful and prosperous. If it is spiritually starved, sooner or later it will starve materially as well. The Japanese professor who wrote the book *The Philosophy of Honest Poverty* believes it is very dangerous to be controlled by the desire for money, material comfort or possessions, and that it is necessary today to once again propagate the philosophy of honest poverty to eradicate people's spiritual poverty. We are Communists and Marxists, and we should have a more critical attitude toward Western social problems, including money worship and hedonism, and we should more consciously resist and guard against them. The socialism with Chinese characteristics that we are building needs to be advanced culturally and ethically as well as materially. In opening to the outside world, we need to actively adopt whatever is useful to us from developed Western countries, but we have to be careful not to view what is rotten as sublime or think that ulcers are treasures. To achieve our ideal, we must fully utilize our strengths at the same time that we study others' good points. We need to energetically advocate lofty socialist thinking and morals and promote the fine traditions of the Chinese nation throughout the whole Party and all of society; praise hard struggle, thrift and plain living as honorable; and condemn extravagance, waste and luxury as disgraceful. For Communist Party members and cadres at all levels, this is a test of their political stand, viewpoint and discernment. Party organizations at all levels need to deal with intra-Party life strictly, and actively engage in criticism and self-criticism. In making personnel decisions, we must pay close attention to whether or not people have a spirit and moral character of dedication and hard struggle. Cadres who are afraid of hardship, seek pleasure, and are extravagant and wasteful cannot be assigned to key posts. Leading cadres need to control not only themselves, but also their spouses, children and staff. The Central Committee adopted rules on this point in the past, and discipline inspection and supervision departments need to strengthen their inspection and supervision and firmly correct any problems they discover.

We need to create a fine atmosphere of hard struggle throughout the country, with first order of business being for the Party to energetically foster an atmosphere of hard work, plain living and thrift. We will strictly limit construction of new office buildings for Party and govern-

ment agencies at all levels and make a strong effort to reduce the number of meetings. We will eliminate all unnecessary meetings and greatly reduce spending on meetings. We need to reduce the endless array of commemorative meetings, symposiums and news conferences to the least possible number. No meeting may give gifts or so-called commemorative articles to participants. In short, we need to be sure to make plans and budgets carefully and practice strict economy in everything we do. In this way, we can both promote an atmosphere of thrift and use the money we save in other areas where it is urgently needed. This is of great significance, both politically and economically. I believe that if leading departments and cadres at all levels make up their minds to lead by example for a number of years, our Party's fine work style of struggling arduously and practicing thrift in everything we do will certainly spread wider throughout the entire Party and all of society.

For Communist Party members and leading cadres at all levels, maintaining and promoting the spirit of hard struggle boils down to firmly establishing and adhering to the Marxist worldview and outlook on life. The Party's fine tradition of hard struggle can truly take root in their thinking and work style only if they solve the problem of worldview and outlook on life at the fundamental level and firmly establish the mass viewpoint. This means that Party members and leading cadres at all levels must diligently study Marxism-Leninism, Mao Zedong Thought and Deng Xiaoping's theory of building socialism with Chinese characteristics, fully take changing social practices into consideration, constantly and earnestly remold their subjective world, and genuinely raise themselves to a lofty spiritual plane. Some cadres do not conscientiously study theory, which makes them unqualified to be cadres. It is very difficult for study that is divorced from reality and ignores the problem of one's worldview and outlook on life to yield positive results. Cadres at all levels need to keep firmly in mind that they are the people's servants, that all their work is for the benefit of the masses, and that they must rely on the masses to do it well. They need to respectfully learn from the masses, emulate their fine character and work style, and study the fine traditions of the Party and the Chinese nation. One of the great strengths and advantages of our Party is that it organically integrates adopting the Marxist worldview and outlook on life with maintaining and fostering the fine traditions of the Chinese nation, while stressing the ideological and moral self-cultivation of Communist Party members. Comrade Liu Shaoqi specifically addressed this

issue in his book *How to Be a Good Communist.* During the revolutionary war period, Party members and cadres stressed self-cultivation. Now that the Party is in power and is undertaking reform, opening up and modernization, Party members and cadres likewise need to stress self-cultivation. I believe that it is necessary to reaffirm and stress this requirement.

The offenses of some Party members and cadres, including abusing power for personal gain and violating the law and discipline, are intimately related to ideological laziness and neglect of study and self-cultivation. If people do not stress study and pay attention to self-cultivation, and they let their ideological level drop, then they will become muddle-headed and unable to distinguish what is good from what is bad, and what should be promoted from what should be combated, and they will not have a correct dividing line between right and wrong or what is politically acceptable or not in their minds. In such a situation, how can they fail to commit offenses? In the new circumstances of reform and opening up, some Party members and cadres slack off on study, self-cultivation and remolding. They think a lot about individualism and very little about the fine traditions of the Party and the Chinese nation, are heavily influenced by decadent thinking, and cannot distinguish what is true, good and beautiful from what is false, evil and ugly. In such a situation, who would not fail to lose their orientation and take up evil ways? There are many such painful examples in our lives today. There are also Party members and cadres whose theoretical and political levels are low because they do not study, so they are unable to correctly understand and take a proper attitude toward reform and opening up and toward the series of principles and policies of the Central Committee on modernization, so that they develop a biased understanding, or even a misunderstanding or misinterpretation of them. For example, allowing some regions and some people to prosper first through honest labor and lawful business activities and finally achieving common prosperity is an important policy of the Party's at present. This is a central component of Deng's theory of building socialism with Chinese characteristics. However, the first thing some cadres think of is not how they can help the masses prosper first, but how they and their relatives may do so, and they do not hesitate to resort to such improper means as abusing their power for personal gain to achieve this goal. This way of acting is a distortion of this important policy and leads down the path to evil. Communist Party members and leading cadres should have the consciousness and noble sentiment of being the first to suffer hardships

and the last to enjoy comforts. In the Song Dynasty, Fan Zhongyan[11] wrote the lines, "Be the first to worry about the world's troubles, and the last to enjoy its pleasures" in his essay "On Yueyang Tower." If we do not act this way, how can we serve as a model and vanguard for the masses? In short, not studying and cultivating ourselves, but being ideologically lazy and drifting with the tide is an important reason why Party members and cadres commit offenses and the unhealthy social trend of extravagance and waste sprouts and grows. Therefore, the Central Committee has repeatedly stressed that all Party members and leading cadres at all levels should study, study, then study some more.

There is one more thing I wish to again emphasize, and that is the matter of engaging in criticism and self-criticism. This is a fine tradition of the Party and one of its three main work styles. The offenses committed by so many cadres always start off as quantitative changes that end up as qualitative changes. They invariably begin with improprieties, but when these are not criticized, misconduct grows ever more serious until ultimately grievous errors are committed. A single ant colony can cause a thousand-mile levee to burst. One thing I find particularly heart-rending is when people, who have performed well all their careers and could retire and live out their remaining years in comfort and happiness and with their good name intact, bring disgrace and ruin upon themselves just before retiring. One of the causes of this is a lack of regular criticism and self-criticism. Leading cadres need to bring up problems with each other face to face and at meetings. We absolutely cannot permit two-faced behavior within the Party in which people say one thing and believe another, act one way toward their colleagues and another behind their backs, or agree to their faces but disagree behind their backs. A stitch in time saves nine. When small problems accumulate day by day, they turn into big problems. It is easy to deal with problems in the nascent stage. Therefore, I repeatedly exhort everyone to foster the fine traditions of criticism and self-criticism. And everyone needs to persevere in this.

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[1] "Senior Cadres Should Take the Lead in Maintaining and Enriching the Party's Fine Traditions," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1995, Vol. II, p. 222.

[2] "Report to the Second Plenary Session of the Seventh Central Committee of the Communist Party of China," *Selected Works of Mao Tse-tung,* Eng. ed., FLP, Peking, 1969, Vol. IV, p. 374.

[3] "On the Correct Handling of Contradictions Among the People," *Selected Works of Mao Tse-tung,* Eng. ed., FLP, Peking, 1977, Vol. V, p. 419.

[4] "The Present Situation and the Tasks Before Us," *Selected Works of Deng Xiaoping,* Chin. ed., Peo-

pie's Publishing House, Beijing, 1994, Vol. II, p. 257.

[5] "Address to Officers at the Rank of General and Above in Command of the Troops Enforcing Martial Law in Beijing," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 297.

[6] "Maintain the Tradition of Hard Struggle," *ibid.,* pp. 282-83.

[7] Cf. "Zhengmeng: Qiancheng," *Collected Works of Zhang Zai.* The original text reads, "The ease of wealth can bless your life; the cares of poverty and humbleness can lead to success."

[8] Ouyang Xiu (1007-72), Northern Song Dynasty, "Actor-Officials," *New History of the Five Dynasties*, Vol. 37. The original text reads, "You can save the country through worry and toil, but will lose yourself through leisure and pleasure. This is the way of nature."

[9] *Mencius,* Book II, "Gao Zi," Part II. The original text reads, "If a prince have not about his court families attached to the laws and worthy counsellors, and if abroad there are not hostile states or other external calamities, his kingdom will generally come to ruin. From these things we see how life springs from sorrow and calamity, and death from ease and pleasure."

[10] Fang Zhimin (1899-1935), a native of Yiyang County, Jiangxi Province, joined the CPC in 1924. He served as a member of the Central Committee, Secretary of the Party Committee of Fujian, Zhejiang and Jiangxi Provinces, Chairman of the Soviet Government of Fujian, Zhejiang and Jiangxi Provinces, and Chairman of the Political and Administrative Commission of the Tenth Army Group of the Red Army. He was the principal creator of the Northeastern Jiangxi Revolutionary Base Area and the Tenth Army of the Red Army. From 1928 to 1933, he led insurgent peasants in guerilla operations. In November 1934, he led the Tenth Army Group north as an advance unit to resist Japanese aggression. He was captured during a battle with KMT troops in January 1935. He wrote "Wonderful China," "Death — a Memoir of a Communist Martyr," "Honest Poverty" and other essays while imprisoned. He went bravely to his execution in Nanchang on August 6, 1935.

[11] Fan Zhongyan (989-1052), a native of Wuxian, Suzhou (now Suzhou, Jiangsu Province) of the Northern Song Dynasty, was a statesman and writer, and held positions such as participant in determining governmental matters.

EULOGY AT COMRADE DENG XIAOPING'S MEMORIAL CEREMONY

February 25, 1997

Comrades and Friends,

We have come to the Great Hall of the People here in the capital today to hold a solemn memorial ceremony and show our profound grief for the loss of our beloved Comrade Deng Xiaoping. The many people in factories, the countryside, shops, schools, army units, government institutions and urban neighborhoods throughout our country's vast territory are together with us in spirit as we celebrate the memory of Comrade Deng's tremendous achievements and outstanding qualities and give voice to our grief.

Over the past few days, the people of all our ethnic groups, including our compatriots in Hong Kong, Macao and Taiwan, as well as overseas Chinese, have expressed boundless grief over the loss of this great man, Comrade Deng Xiaoping. People from all over the world, including leaders of foreign countries and international friends from various backgrounds, have also expressed their heartfelt condolences over the loss to the world of this great man, Comrade Deng Xiaoping.

The Chinese people revered Comrade Deng, are grateful to him, mourn for him, and cherish his memory because he devoted himself entirely to the Chinese people and made enduring contributions to the independence and liberation of the Chinese nation, as well as the socialist modernization drive in China. His magnificent revolutionary career that spanned more than seven decades is closely connected with the founding and development of the CPC, the Chinese people's army, and the People's Republic. He was among the founders of the People's Republic, and after its founding he became an important member of the CPC's first generation of central collective leadership with Comrade Mao Zedong at the core. After the Third Plenary Session of the Eleventh Central Committee, he became the core of the CPC's second generation of central collective leadership and led the country in pioneering a new path of building socialism with Chinese characteristics. By following this path, China's economy has developed rapidly, its overall strength has grown, the people's living standards have gradually improved and socialism has exhibited unprecedented

vitality. Comrade Deng said that without Comrade Mao, the Chinese people at best would have had to grope about in the dark for a longer period of time. Similarly, we recognize that without Comrade Deng, the Chinese people would not be living the life they do today, the changes in China's situation brought about by reform and opening up would never have taken place, and the bright future promised by socialist modernization would never occur.

Comrade Deng was an outstanding leader held in high esteem by the entire Party, the entire army, and the people of all our ethnic groups. He was a great Marxist, proletarian revolutionary, statesman, military strategist and diplomat, as well as a seasoned champion of Communism, the chief architect of China's socialist reform, opening up and modernization and the creator of the theory of building socialism with Chinese characteristics.

In the past, the CPC led the Chinese people in a great revolution to transform the semi-colonial and semi-feudal old China into a new socialist China. Since the Third Plenary Session of the Eleventh Central Committee, it has been leading the people in a new revolution to transform China from an underdeveloped socialist country into a prosperous, strong, democratic and culturally advanced modern socialist country. In the course of these two great revolutions, two historic leaps were made by integrating Marxism with China's realities and two major achievements in theory were made: Mao Zedong Thought and Deng's theory of building socialism with Chinese characteristics. These two great revolutions and two historic leaps produced two great men, Comrade Mao and Comrade Deng, who was the former's comrade-in-arms and the successor to his cause.

For a large semi-colonial and semi-feudal Asian country such as old China, there was no ready-made pattern for the Communists to follow in leading the revolution to victory so they had to create their own path through actual experience. This was a path of armed struggle, as well as a path of establishing revolutionary base areas in the countryside, encircling cities from the countryside and eventually seizing political power nationwide. Our Party blazed this trail under the leadership of Comrade Mao. Unswervingly following this path, Comrade Deng launched uprisings in Guangxi, founded Red Army units, and established revolutionary base areas. After arriving in the Central Revolutionary Base Area, he was removed from his positions for supporting Comrade Mao's correct line by the "Left" leaders of the Party. This was the first major setback he suffered in his political career. During the Long March, he attended the Zunyi Meeting,

which marked a great turning point in the Party's history. During the War of Resistance Against Japanese Aggression and the War of Liberation, comrades Deng and Liu Bocheng[1] jointly led the troops. He always worked in key positions in the overall strategy, waged tit-for-tat struggles against the enemy on the frontlines, and resolutely carried out major strategic decisions made by Comrade Mao, constantly braving difficulties and dangers and valiantly shouldering heavy responsibilities. He served successively as Political Commissar of the 129th Division of the Eighth Route Army, Secretary of the Taihang Sub-bureau of the Northern Bureau of the Central Committee and Acting Secretary of the Northern Bureau, directed the work of the Headquarters of the Eighth Route Army, and created and led anti-Japanese base areas behind enemy lines in north China. He was elected to the Central Committee at the Seventh National Congress of the CPC. When the civil war broke out, he served successively as Political Commissar of the Shanxi-Hebei-Shandong-Henan Military Command, First Secretary of the Central Plains Bureau of the Central Committee and Political Commissar of the Central Plains Field Army. In a display of dauntless heroism, he and Comrade Liu jointly led their troops in taking the fight to the enemy, battling their way across the Yellow River and marching hundreds of kilometers to the Dabie Mountains, thus opening the curtain on the nationwide strategic offensive of the PLA in the people's War of Liberation. At this strategically decisive stage, Comrade Deng served as Secretary of the General Frontline Committee, which was in command of both the Central Plains Field Army and the East China Field Army, as well as First Secretary of the East China Bureau of the Central Committee. He and the other leaders of the two armies directed the Huai-Hai Campaign, the largest of the three decisive campaigns in the War of Liberation, and the Crossing-the-Yangtze Campaign, which liberated Nanjing, Shanghai and southeastern provinces, and marked the collapse of the reactionary KMT regime. Following this, Comrade Deng led the army southwest and helped lead the peaceful liberation of Tibet, thereby completing the liberation of China's mainland. Comrade Deng has many illustrious military exploits to his credit in the struggle for the birth of New China.

Following the founding of the People's Republic, the Party faced the task of how to move from new democracy to socialism and how to find its own path for building socialism under backward economic and cultural conditions. Comrade Deng was transferred to Beijing from the southwest to participate in the work of the central leadership, serving successively

as Vice Premier of the Government Administrative Council, Secretary General of the Central Committee and Vice Premier of the State Council, and was elected to the Political Bureau of the Central Committee at the Fifth Plenary Session of the Seventh Central Committee. In his report to the Eighth CPC National Congress on revising the Party Constitution, he introduced and thoroughly discussed the Party's task of improving itself as a ruling party. He was elected a member of the Standing Committee of the Political Bureau of the Central Committee and General Secretary of the Central Committee at the First Plenary Session of the Eighth Central Committee. During his ten years as General Secretary, he undertook heavy responsibilities, made many correct proposals, and worked effectively to set up a socialist system, develop socialism, find a path for building socialism appropriate to China's conditions, draw lessons from experience, rectify errors, adjust policies and overcome the hardships stemming mainly from "Left" errors during the three years of economic difficulties [1959-1961].

The Cultural Revolution was a grave mistake in the Party's history during the socialist era. In this movement, Comrade Deng was wrongly criticized and denounced, and was relieved of all his positions. This was the second major setback of his political career. After Lin Biao's plot to stage a counterrevolutionary coup d'état was crushed, Comrade Deng returned to work. He served as Vice Chairman of the Central Committee, Vice Premier of the State Council, Vice Chairman of the Central Military Commission and Chief of the PLA General Staff in 1975, and took charge of the routine work of the Party, the government and the army. He made vigorous efforts to stop the destructive trends of the Cultural Revolution and took bold and resolute steps to put an end to the extreme chaos it had caused. Thinking only of the Party and the people and without regard to his own interests or safety, he waged a resolute struggle against the Gang of Four, risking being overthrown once again. This rectification drive was in essence an experiment in future reforms, which reflected the aspirations of cadres and the masses, represented the Party's correct leadership, and quickly achieved notable results. Because the depth of the rectification efforts inevitably led to a systematic redress of the mistakes of the Cultural Revolution, Comrade Deng was accused of starting a Right deviationist trend to reverse correct verdicts and was again unjustly removed from all his positions. This was the third major setback of his political career. However, the achievements of the rectification drive and the intellect and courage he showed during this period won him the support of the Party,

the army and the people and laid the groundwork among the people for smashing the Gang of Four.

After the Gang of Four was smashed and the Cultural Revolution was ended, China faced a critical juncture in history. The country needed to resolve the grave situation caused by the ten-year disturbance of the Cultural Revolution and overcome many difficulties to open up a new path of developing socialism. Thanks to the insistent demands of Party members and the people, Comrade Deng was reinstated to his former leadership positions. At the Central Committee's Plenary Session reinstating him to these positions, he said, "I could adopt one of two attitudes when I return to work. I could simply act like a government official or I could make some real accomplishments. As a Communist, I cannot simply act like an official, selfishly putting personal considerations first. I have no choice but to make some real accomplishments." Facing an enormously complex body of tasks, Comrade Deng, with his great insight, rich political experience, and excellent leadership skills, grasped that the crucial link was to restore order by bringing the Party's ideological line back onto the right track first. He stressed that seeking truth from facts is the essence of Mao Zedong Thought, opposed the erroneous principle of the "two whatevers,"[2] and supported the debate about whether practice is the sole criterion for testing truth, laying the ideological basis for the Third Plenary Session of the Eleventh Central Committee.

Under the leadership of Comrade Deng, the Third Plenary Session of the Eleventh Central Committee reaffirmed the ideological line of emancipating our minds and seeking truth from facts. That session also decided to shift the focus of the work of the Party and the government to economic development and introduce the reform and opening up policy. Later at that session, the necessity of upholding the Four Cardinal Principles was strongly emphasized. The basic line of the Party of "one central task, two basic points" began to take shape. The decisions made at that session marked one of the most significant shifts in the history of the Party and the country since the founding of the People's Republic and ushered in a new period of reform, opening up and socialist modernization in the history of the country. Comrade Deng became the core of the Party's second generation of central collective leadership as a result of that session's work.

Comrade Deng led the Party in drawing lessons from its experience since the founding of the People's Republic. With immense political and theoretical courage, he insisted on a scientific appraisal of the historical

role of Comrade Mao and the scientific system of Mao Zedong Thought, completely repudiated the erroneous practices and theories of the Cultural Revolution, and resolutely resisted the erroneous ideological trend of completely negating Comrade Mao's work and Mao Zedong Thought. Every new development in the domestic and international situations has further demonstrated the boldness and foresight of this significant policy decision.

At the Twelfth CPC National Congress, Comrade Deng pointed out, "We must integrate the universal truth of Marxism with the concrete realities of China, blaze a path of our own and build a socialism with Chinese characteristics."[3] This was the basic conclusion drawn from our long historical experience, and it became the basic motto that set the direction for progress in the new historical era. At its Thirteenth National Congress, the Party systematically expounded the theory of the primary stage of socialism and carefully defined the Party's basic line for this stage in line with Comrade Deng's thinking.

Comrade Deng directed us in formulating a three-step development strategy to basically achieve modernization of the country and drafting a comprehensive plan for implementing reform and opening up. He strongly supported and promoted rural reform, mainly in the form of the household contract responsibility system with remuneration linked to output, and warmly praised the flourishing of township and village enterprises. He was the first to put forth the idea that a market economy can be developed under socialism. He promoted comprehensive economic restructuring with the focus on cities, and created a new path that combines socialism with a market economy in order to better liberate and develop the productive forces. Comrade Deng championed and promoted the establishment of SEZs in coastal areas, the opening of coastal cities, and the development and opening of the Pudong New Area in Shanghai. This resulted in a gradual, comprehensive opening up of the country. He showed great interest in economic development and the people's wellbeing in the central and western regions and poverty-stricken areas, and called for more action to gradually solve these problems. He introduced the new thesis that science and technology are a primary productive force, called for a greater respect for knowledge and talent, and stressed the importance of developing education, science and culture. He also repeatedly stressed that it is necessary to pay more attention to and strongly support the creativity of the masses in carrying out the reform and opening up policy, and that we should learn from the experience of the masses and

extensively apply this learning. Under the leadership of the Central Committee with Comrade Deng at the core in the new period, our nation made great strides carrying out rural and urban reforms, restructuring the economy and many other fields, invigorating the domestic economy, opening to the outside world, and paying equal attention to material progress and cultural and ethical progress. As a result, China's productive forces grew by leaps and bounds, the people's living standards improved considerably, and the face of the country underwent profound changes, all of which won strong overall support from the masses.

When political upheavals occurred both domestically and internationally in the late 1980s and early 1990s, the Party faced another major historical juncture. With the firm and strong support of Comrade Deng and other veteran comrades, plus strong reliance on the people, the Party and the government took a clear stand to uphold the Four Cardinal Principles and safeguard the independence, dignity, security and stability of the country while unswervingly carrying out economic development as the central task and instituting the reform and opening up policy. Because the Party and the government adopted this firm and clear stand and the people took to heart our achievements in reform, opening up and socialist modernization, we were able to withstand this severe test and continue to vigorously develop our cause along the path laid out at the Third Plenary Session of the Eleventh Central Committee.

Comrade Deng had long favored abolition of the system of life tenure for leading cadres. He himself expressed his sincere desire to retire several times. The Party's Thirteenth National Congress agreed to his wish to retain only his position as Chairman of the Central Military Commission, and the Fifth Plenary Session of the Thirteenth Central Committee accepted his resignation from that position. Comrade Deng created all the necessary conditions for and played a crucial role in the smooth transition from the second generation of central collective leadership to the new central collective leadership, thereby ensuring the stability of the Party and the government.

Although he retired from his leadership positions, Comrade Deng retained his strong sense of historical responsibility and continued to pay close attention to China's reform, opening up and modernization. The important talks he gave during his inspection tour of southern China in early 1992 constituted a scientific review of the Party's basic practices and experience since the Third Plenary Session of the Eleventh Central Committee,

and they also provided in-depth, theoretical solutions to many major questions of understanding that had long perplexed people. These talks not only played an important guiding role in ensuring the success of the Party's Fourteenth National Congress, but also had far-reaching significance for the entire process of socialist modernization. These talks and the decisions made at the Fourteenth Congress marked the beginning of a new phase of China's socialist reform, opening up and modernization. At the advanced age of 89, Comrade Deng presided over the editing of the *Selected Works of Deng Xiaoping* (Volume III) and reviewed all the articles in the book. The *Selected Works of Deng Xiaoping* (Volumes II and III) contain important and creative articles Comrade Deng wrote when he was creating and developing the theory of building socialism with Chinese characteristics.

Comrade Deng's most precious legacy to us is his theory of building socialism with Chinese characteristics and the Party's basic line for the primary stage of socialism, whose formulation was guided by that theory. This theory gradually took shape and developed under the historical conditions in which peace and development were the themes of the times; through the practice of our country's reform, opening up and socialist modernization; and on the basis of learning from historical experience, including the triumphs and setbacks in China's socialist cause and the ups and downs of other socialist countries. From a global perspective, the issue of how to build socialism after the people take power under the leadership of the proletariat is an important topic of historical significance requiring serious study and examination. On the basis of historical comparisons and international observation, the new situations socialism in China has created and achievements it has made convince us Deng's theory of building socialism with Chinese characteristics is correct. This theory scientifically grasps the essence of socialism, and for the first time, begins to provide fairly systematic answers to a series of basic questions such as how China, an economically and culturally backward country, can build, consolidate and develop socialism. The theory is Marxism for present-day China, which is a continuation and development of Mao Zedong Thought that is the result of integrating the basic tenets of Marxism-Leninism with actual conditions prevailing in the country and the character of the times. This theory, which is the crystallization of the wisdom of the entire Party and the whole Chinese people, serves as the guiding ideology of the Party and as cultural and intellectual support for the Chinese nation.

Comrade Deng not only guided us with the glorious revolutionary

theory he created, but also inspired us with the brilliant revolutionary style he developed during his long revolutionary experience. He displayed his lofty character and integrity throughout his entire revolutionary experience, including his three falls from and subsequent returns to power, and his efforts to boldly chart a new path for China's socialist development. When he was wrongfully attacked and faced adversity, he never lost hope. Instead, he remained ever fearless, selfless, indomitable, dauntless and well composed; showed absolute loyalty to the Party and people; and remained optimistic about the future of our cause. On this basis he always delved more deeply into the lessons to be drawn from and fundamental laws governing the Chinese revolution, and made a determined effort to accomplish even more. Because of this, he was able to meet the demands of history and the times, and take on heavy responsibilities again after encountering setbacks. In particular, his falls from and subsequent returns to power during the Cultural Revolution prompted him to thoroughly examine what socialism is and how to build it. This enabled him to resolutely and decisively lead the entire Party and the whole Chinese people in charting the new path of building socialism with Chinese characteristics after the Third Plenary Session of the Eleventh Central Committee. In the course of charting this new path, he emphasized practice and was keenly aware of the pulse of the times and the opportunities for development they presented. While building on the achievements of his predecessors, he also broke with convention, and in studying the experience of other countries, he never slavishly copied their models. He always drew lessons from his experience and created new methods by fully taking into consideration actual conditions in China and the characteristics of the development of the contemporary world. He respected the masses and was always concerned with the interests and wishes of the overwhelming majority of the people. In formulating the Party's line, principles and policies, he always took the criteria of whether they are favorable to developing the productive forces in a socialist society, to increasing the overall national strength of the socialist state, and to raising the living standards of the people as his starting point and the objective. He was farsighted and broadminded and always considered the overall situation in examining and handling major issues. He advocated doing solid work and was decisive in taking action. He demonstrated his greatest courage and wisdom in making important decisions at critical moments. His style as well as his cause and ideas will forever be inscribed in our hearts.

The passing of Comrade Deng is an immeasurable loss to the Party, the army and the people of all our ethnic groups. The Central Committee has called on all Party members, all members of the army and the people of all our ethnic groups to turn grief into strength, carry on the unfinished work of Comrade Deng, and express our mourning by working harder to make even greater achievements.

The theory of building socialism with Chinese characteristics created by Comrade Deng and the Party's basic line formulated in accordance with this theory are a guide to action that we must follow. As we enter the new century, the Party's central collective leadership is strongly determined and confident in holding the great banner of Deng's theory of building socialism with Chinese characteristics even higher and following the Party's basic line even better, and this is the common consensus and joint aspiration of the whole Party, the entire army and the people of all our ethnic groups. We will be even more conscientious in arming ourselves with this theory, build a common understanding, become united in heart and mind, be innovative and creative, overcome all difficulties blocking our path, eliminate interference from erroneous tendencies and adhere to the Party's basic line regardless of the circumstances.

Economic development is the central task in all the activities of the Party and the country. The decision to designate economic development as the central task is the most fundamental action we have taken under Comrade Deng's leadership to place the country back on the right track. In accordance with the teaching of Comrade Deng, we must pay close attention to this central task and make sure that it always comes first and that all our other work serves and is subordinate to it. Development is the absolute principle. The key to seizing opportunities and developing ourselves lies in expanding the economy. We must concentrate all our strength and wisdom, work hard, build our country through frugality, make economic development rely more on advances in science and technology and improvement in the overall quality of the workforce, and promote all-round social progress on the basis of sustained, rapid and sound development of the national economy.

Reform is crucial in order for China to carry out socialist modernization. Comrade Deng drew up a master plan for our comprehensive reform, and we must act in accordance with his teaching by deepening reform to eliminate barriers to the development of the productive forces and continue to make progress in all aspects of our cause. Establishing a social-

ist market economy on the basis of allowing public ownership to remain dominant and diverse economic sectors to develop side by side is a great and unprecedented undertaking. We must continue to deepen economic restructuring on the basis of our achievements, and correspondingly to deepen restructuring in politics and other areas on this basis.

Opening to the outside world is a necessary requirement for China to carry out socialist modernization. Comrade Deng always stressed that today's world is an open one, that China's development is inextricably connected to the rest of the world and that it is crucial for our country to pursue a policy of opening to the outside world while remaining self-reliant. We must follow the teaching of Comrade Deng, soberly assess developments in the world, courageously meet rigorous challenges, adhere to the basic state policy of opening up, open up in multiple directions and at different levels, strive to increase the level of openness, absorb and apply advances made by other countries, including developed capitalist countries, and actively participate in international economic and technological cooperation and competition.

The people's democratic dictatorship that wields state power in China provides a political guarantee for the sound development of our cause. Comrade Deng always paid close attention to the consolidation and development of the people's political power. Following the teaching of Comrade Deng, we must uphold the leadership of the working class, consolidate the worker-farmer alliance, develop the broadest possible patriotic united front, which includes the democratic parties, strengthen the great unity among the people of all our ethnic groups, promote socialist democracy, improve the socialist legal system, institute the rule of law, and constantly work to make the political situation more stable, unified and lively.

The PLA is a pillar of the state. Comrade Deng's military service was an important part of his brilliant career. As Chairman of the Central Military Commission, he determined the orientation and charted the course for the development of the army and national defense in the new period. While concentrating on the overall task of economic development, we must redouble our efforts to make the army more revolutionary, modern and standardized and take the path of fewer but better troops with Chinese characteristics in accordance with the teaching of Comrade Deng so that the army can constantly make further contributions to safeguarding our state sovereignty and security and protecting and participating in socialist development.

We will have socialism with Chinese characteristics only when we make both material progress and cultural and ethical progress. Comrade Deng always stressed that we must pay equal attention to progress in both areas, and that while concentrating on economic development, developing a socialist market economy and opening to the outside world, we must take particular care not to neglect cultural and ethical progress. Following the teaching of Comrade Deng, to achieve the objective of ensuring the people have high ideals, moral integrity, a good education and a strong sense of discipline, we must strive to improve the ideological and moral standards and the scientific and cultural levels of the whole nation, and constantly work for socialist cultural and ethical progress that is guided by Marxism, based on conditions in China and oriented toward the world, and that upholds our fine traditions while being responsive to the demands of the times.

The complete reunification of our motherland is the common aspiration of the entire Chinese nation. Bringing about peaceful reunification under the principle of "one country, two systems" was a great innovation of Comrade Deng's. We must strive to achieve national reunification on the basis of his teaching. In accordance with the Sino-British and Sino-Portuguese agreements, Hong Kong will soon return to the embrace of the motherland, and Macao will return in 1999. The Taiwan question will eventually be settled, and the complete reunification of the motherland will certainly be achieved.

We need to have a peaceful international environment in order to concentrate our resources on socialist modernization. Comrade Deng scientifically examined changes in the international situation and led us in reformulating our international strategy, adjusting China's relations with Japan, the United States and the Soviet Union, and developing friendly relations with neighboring countries and other third world countries, thereby creating a new situation in China's external relations during the new period. We must follow the teaching of Comrade Deng by adhering to an independent foreign policy of peace, actively developing friendly relations with all other countries on the basis of the Five Principles of Peaceful Coexistence, and making our own contribution to safeguarding world peace, promoting world development, opposing hegemonism and power politics, and establishing a new international political and economic order.

The CPC is the core force leading the building of socialism with Chinese characteristics. Comrade Deng always taught us that the key to the success of all our endeavors lies within the Party. We must follow his teach-

ing by upholding and safeguarding the solidarity and unity of the Party, making a more conscious effort to rally around the Central Committee, and constantly strengthening the Party ideologically and organizationally and improving its work style. We must intensify the anti-corruption campaign. We must build our Party into a Marxist political party armed with the theory of building socialism with Chinese characteristics that serves the people wholeheartedly, is thoroughly consolidated ideologically, politically and organizationally, is able to withstand all types of danger, and always marches in the forefront of the times.

Comrades and Friends,

Since the Party's Fourteenth Congress, the Central Committee has held high the great banner of Deng's theory of building socialism with Chinese characteristics. The Central Committee has also led the whole Party, the entire army and the people of all our ethnic groups in comprehensively following the Party's basic line and seizing opportunities to deepen reform, open wider to the outside world, promote development and maintain stability. Under the leadership of the Central Committee, we have constantly placed equal emphasis on material progress and cultural and ethical progress, while making economic development our central task. The national economy has experienced sustained, rapid and sound development and the objectives for the second step of the three-step strategic plan for development laid out by Comrade Deng were met ahead of schedule. We have also drawn up and begun implementation of the Ninth Five-Year Plan and the Long-Range Objectives Through the Year 2010. We are working hard to complete all our tasks before the convocation of the Party's Fifteenth National Congress.

Comrade Deng has left us forever, but his illustrious name, his feats, his thoughts and his character will go down in history and be inscribed in the hearts of the people for many generations. The whole Party, the entire army and the people of all our ethnic groups will certainly carry on the unfinished work he bequeathed and remain resolute and full of confidence under the strong leadership of the Central Committee as they work toward the great cause of building socialism with Chinese characteristics that he championed, in order to build China into a modern socialist country that is prosperous, strong, democratic, and culturally advanced.

May the memory of Comrade Deng Xiaoping live forever!

[1] Liu Bocheng (1892-1986), a native of Kaixian County, Sichuan Province (now the city of Kaixian, Chongqing), joined the CPC in 1926. He served as a member of the Central Committee and its Political Bureau, Vice Chairman of the Central Military Commission and Vice Chairman of the NPC Standing Committee. During the War of Resistance Against Japanese Aggression and the War of Liberation, Liu served as a military commander and worked for a long time with Deng Xiaoping, who was serving as a political commissar. Liu successively served as commander of the Eighth Route Army's 129th Division and of the PLA's Shanxi-Hebei-Shandong-Henan Field Army, Central Plains Field Army and Second Field Army. He helped lead and direct the creation of the Shanxi-Hebei-Henan and other anti-Japanese base areas, the march of PLA units to the Dabie Mountains, the Huai-Hai Campaign, the Crossing-the-Yangtze Campaign, and the liberation of the southwest.

[2] "Theoretical Work Needs to Be Oriented Toward Reality," note 2, p. 32, this volume.

[3] "Opening Speech at the Twelfth National Congress of the Communist Party of China," *Selected Works of Deng Xiaoping*, Eng. ed., FLP, Beijing, 1994, Vol. III, p. 14.

IMPROVE SOCIALIST DEMOCRACY AND THE SOCIALIST LEGAL SYSTEM*

February 27, 1997

Developing socialist democracy and improving the socialist legal system are of great importance for giving full rein to the people's initiative and creativity, protecting their rights and interests, guaranteeing the success of reform, opening up and modernization, and ensuring long-term peace and stability. Improving socialist democracy and the socialist legal system is an important component of the theory and practice of building socialism with Chinese characteristics. Comrade Deng Xiaoping gave this high priority and issued a series of important instructions on this issue. Following these instructions, we have been strongly promoting socialist democracy and the socialist legal system for more than a decade, and have garnered great success and accumulated a wealth of experience. This provides a good foundation for us to continue improving democracy and the legal system. At this point, I would like to focus my comments on three points.

First, developing socialist democracy is intrinsically in accord with the Party's mass viewpoint and mass line. The people create history and are the masters of our country. The purpose of the Communist Party in exercising power is to lead and support the people as masters of their country. It would be impossible to speak of socialist democracy if we abandoned the mass viewpoint and mass line, that is, doing everything for the masses and relying on the masses in everything. Overall, we have done a good job developing socialist democracy and carrying out the mass viewpoint and mass line in all our work. However, we must also recognize that some leading cadres have been engaging in practices that do not conform with the requirements of socialist democracy and the mass viewpoint and mass line, and we need to conscientiously correct this situation without fail. For instance, in recent years the problem of bureaucracy, formalism and an imperious bureaucratic style of work has arisen in some localities and departments. Some leading cadres ignore the voice of the masses and lack concern for their problems. Some think only about their personal fame and

* Excerpt from a speech at a meeting of leading Party members attending the Fifth Session of the Eighth NPC and the Fifth Session of the Eighth National Committee of the CPPCC.

wealth, social connections and promotion, and totally dismiss the people's interests from their minds. Some are overbearing and high-handed, act arbitrarily and make decisions without listening to others at all. All this runs counter to the requirements of socialist democracy and the mass viewpoint and mass line. Developing socialist democracy should always be based on enabling the people to exercise their rights to manage state affairs, economic and cultural activities, and social affairs. We must do everything for the benefit of the masses, rely on them in all our endeavors and get them to fully exercise their initiative and creativity. It is very important for lower-level government authorities to expand primary-level democracy and ensure that the masses can participate in democratic management and oversight of lower-level government affairs and economic, cultural and social activities. Comrade Deng deemed strengthening primary-level democracy and fully arousing the initiative of lower-level government authorities and the masses major tasks in political restructuring. This is extremely important for all our work at that level. After the introduction of the reform and opening up policy, we instituted the factory director (manager) responsibility system, an important reform of the enterprise management system. After instituting this responsibility system, many enterprises let factory directors (managers) take charge of managing and operating their enterprises and directing production. They also allowed workers' congresses and ordinary employees to fully participate in democratic management and oversight. However, some enterprises neglected the role of the workers' congresses and the democratic rights of ordinary employees. We need to establish a scientific leadership system and scientific organization and management system through reform that meet the requirements of a modern corporate structure, to ensure that enterprise operators can exercise their functions and powers in accordance with the law and guarantee the legitimate rights and interests of workers. In short, we need to continue looking for new ways and means to better carry out the Party's mass line, further and more effectively arouse the people's initiative and creativity, heighten their sense of being masters of the country and keep socialist democracy constantly developing.

Second, improving the socialist legal system should mesh closely with raising people's ideological, moral and cultural standards. The law sets standards for people's actions and may compel punishment for illegal actions, but it cannot address problems related to ideology and morals. Such problems can be corrected only by thorough and painstaking education in

ideology, morals and culture. Development of the legal system includes legislation, law enforcement, judicial work and legal education. These factors are complementary, and each one is very important and indispensable. We must do a good job in all these areas in order to truly improve the legal system. The people enact law and enforce, administer and obey it. Therefore, ensuring that the people have proper ideological, moral and cultural standards is crucial for success in improving the legal system. If these standards are low, laws and regulations, regardless of how good they are, will be as worthless as scraps of paper because it will be hard to enforce them and ensure their proper observance. Comrade Deng long ago stated this point quite clearly. He said, "People's understanding of the rule of law is related to their educational level. One reason for the high crime rate among young people who are simply lawless and have no scruples about committing crimes is that their level of general education is too low. To strengthen the rule of law, therefore, the most important thing is to educate people."[1] How well a society is regulated is closely related to how comprehensive the legal system is, as well as how high people's ideological, moral and cultural standards are. The ideas of complementing morality with punishment and ensuring proper behavior through a combination of Confucian and legal means have a long history in China, and they can positively inspire us. In general, laws work through punishment, while morality works through self-discipline, and we need to use both in combination. Improving the legal system is an important way to maintain order in society and regulate its norms, and another key means is to improve ideological, moral and educational standards. We need to work equally hard in both areas and, if we do well, we can greatly improve public order and the social atmosphere and reduce the number of unhealthy trends, evil deeds and negative phenomena in society.

Third, we need to always safeguard the uniformity and sanctity of the legal system. We need to pay close attention to this issue in our legislative work, as well as in our law enforcement and judicial work. Managing state affairs in accordance with the law is the Party's basic strategy for leading the people in developing and governing the country under the new historical conditions. We can coordinate progress in reform and development in a large country like ours only if all regions and departments act in strict accordance with the law. If everyone were to just go their own way and only enforce those laws favoring their interests while ignoring the rest, enforce them perfunctorily or even willfully misinterpret them, the Party and the

country's work would be adversely affected and be ineffective, the normal economic, political and social order would be disrupted, and chaos could result. It should be affirmed that a major reason for the progress we have made in all areas of our work is that the understanding of law and the ability to act in accordance with it that leading bodies and leading cadres at all levels have are constantly improving. However, there are still some problems in our efforts to improve the legal system that require our close attention, in particular the problem of local and departmental protectionism in law enforcement and the administration of justice. All Party members should understand that safeguarding the inviolability of the Constitution and making sure it is followed, and ensuring the uniformity of government decrees and the legal system are major issues of political principle. The laws of the state are an expression of the unity of the Party's views and the people's will. All regions and departments without exception must obey laws that have been enacted and put into force. Laws and regulations formulated by regions and departments must accord with the Constitution and laws of the state and may not contain any contravening provisions. No locality or department has any authority that transcends the Constitution and laws of the state. No one may shirk his or her obligations and responsibilities or circumvent restrictions and oversight by citing protection of the interests of his or her region or department as an excuse. Cadres at all levels, especially leading cadres, should take the lead in safeguarding the uniformity of government decrees and the legal system and purposefully combat and prevent local and departmental protectionism.

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[1] "Help the People Understand the Importance of the Rule of Law," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 166.

DEVELOPING PROGRAMS FOR PERSONS WITH A DISABILITY IS A NOBLE CAUSE*

May 1, 1997

Six years ago a number of people, including Wu Yunduo and Zhang Haidi, were honored as paragons of self-reliance, and I had a chance to talk to some of them, an experience that still remains fresh in my memory. I recently read the manuscript of the book *Ode to Self-Reliance,* which talks about the experiences of these honored paragons of self-reliance and the exemplary deeds of people who help persons with a disability, and I found it to be deeply moving. It is a paean to cultural and ethical progress that depicts the unremitting efforts of people to be self-reliant despite physical and mental limitations and the unity and fraternity among people and is distinctly in tune with the times.

We are now in a great era of reform, opening up and national rejuvenation. Developing China into a prosperous, strong, democratic, culturally advanced and modern socialist country is a huge task entrusted to us by the times. Achieving this magnificent goal requires lofty ideals, firm beliefs and a spirit of constant striving to be self-reliant.

People always need to have some revolutionary spirit. These paragons of self-reliance have overcome all kinds of adversity and surmounted difficulties ordinary people can only imagine to accomplish so much, while demonstrating their great patriotism, unflagging tenacity in the face of adversity and indomitable spirit to succeed. It is evident they have enormous strength of spirit. This kind of spirit is the same as the national spirit of self-esteem, self-confidence and self-reliance. This kind of spirit is the will to survive and develop, the strength that comes from self-confidence and the soul of our nation.

It was this spirit that enabled our ancestors to create China's glorious ancient civilization. It was also this spirit that enabled our predecessors to topple the three big mountains[1] and found New China. If we are to make our motherland and nation strong and prosperous, we will need to carry forward this glorious national spirit.

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* Foreword to the book *Ode to Self-Reliance.* The original title was "Promote National Spirit and Social Ethics to Actively Develop Programs for Persons with a Disability."

Our great cause of building socialism with Chinese characteristics is a comprehensive development project that takes economic development as its central task. People have both material needs and cultural and ethical needs. In the quest for material, cultural and ethical progress, people in our society need personal relationships based on equality and fraternity and a social environment favorable to unity and mutual assistance.

Organizations and individuals honored for their outstanding work with persons with a disability understand them, respect them, are concerned about them and help them. Their deeds are ordinary yet great. Their noble moral character is genuinely moving. This kind of moral character enables them to put other people, the collective and the country first, rather than thinking only of themselves.

The force of morality is titanic. Economic prosperity, social progress and human civilization all require improvement and development of moral standards. People should care about fellow human beings. Members of society need to have a collective consciousness and a group identity. Citizens should love their motherland. Communists should have higher moral standards. Developing a socialist market economy requires strengthening democracy and the legal system. It also requires improving ideological and moral standards as well as developing science and culture. We must continue to pursue our purpose of serving the people; continue to teach patriotism, collectivism and socialism; and steadfastly promote a social atmosphere of unity and mutual assistance, of equality and fraternity, and of progress for all.

There have been persons with a disability ever since the human race came into existence. Disabilities are a social cost that must be borne by society in the process of human development. Over 60 million people in China have a disability, a situation that touches nearly one fifth of all Chinese families. This major social problem involving so many people cannot be evaded, but must be effectively resolved.

Persons with a disability are entitled to the same respect and rights as other people, and they have the desire and ability to participate in the life of society. Both past and current experience have shown that they are also creators of social wealth. Therefore, the issue of persons with a disability also involves ensuring their ability to enjoy all their rights as citizens, as well as liberating their productive forces. We must therefore always attach great importance to this issue and never ignore it.

Humanitarianism is a set of moral norms for managing interpersonal

relationships. It is the duty of every country to safeguard human rights. Assisting vulnerable groups such as persons with a disability is a symbol of social civilization and progress. The ultimate objective we Communists have is the liberation of humankind. Our socialist country's fundamental goal of development is prosperity and happiness for all. Thus we have an even higher obligation to respect the rights and personal dignity of persons with a disability as citizens and protect them from infringement. Moreover, extra support and assistance should be given to this special and vulnerable group, and programs should be developed to ensure that they can more fully exercise their rights, that they have equal standing and opportunities to participate in the life of society and the development of the country, and that they receive their share of the fruits of the material and cultural progress of society.

Our Party and government have always shown concern for persons with a disability. During the last decade, the government promulgated the Law on the Protection of Disabled Persons to support their lives and development, formulated and implemented three five-year plans for assisting them, improved organizations for them at all levels, responded to the call of the World Program of Action Concerning Disabled Persons, and participated in the United Nations Decade of Disabled Persons (1983-92) and the Asian Pacific Decade of Disabled Persons (1993-2002). These steps produced successes that captured the attention of people around the world. Persons with a disability all over the country have more opportunities to participate and can participate in more areas, they have made progress in the area of personal development, and their living conditions have improved. These improvements effectively demonstrate the universality, equality and authenticity of China's efforts to protect human rights as well as the superiority of its socialist system.

Developing programs for persons with a disability is a noble cause. Such programs are a part of our socialist cause. China is a developing country, and our efforts to help persons with a disability still lag behind our economic and social development due to historical reasons and the level of the country's productive forces. Party committees and governments at all levels should view these programs with great seriousness, show more concern for them and give them their added support. Society as a whole should continue the fine tradition of supporting and assisting persons with a disability and do even more to show its care for them.

I ardently hope that all persons with a disability in China emulate

these paragons of self-reliance, sincerely love life, continue to participate in the great endeavor of reform, opening up and modernization, and continue to work alongside their fellow countrymen to create a brighter future.

[1] "Patriotism and the Mission of Chinese Intellectuals," note 2, p. 127, this volume.

ORDER FOR THE HONG KONG GARRISON OF THE CHINESE PEOPLE'S LIBERATION ARMY TO BE STATIONED IN THE HONG KONG SPECIAL ADMINISTRATIVE REGION

June 30, 1997

June 30, 1997

All members of the PLA Hong Kong Garrison:

In conformity with the mission conferred upon the PLA by the Constitution of the People's Republic of China, and pursuant to the relevant provisions of the Basic Law of the HKSAR of the People's Republic of China, and the Law of the People's Republic of China on Garrisoning the HKSAR, I hereby order you to be stationed in the HKSAR of the People's Republic of China and commence performing your defense duties there beginning at midnight on July 1, 1997.

The Chinese government's resumption of its exercise of sovereignty over Hong Kong marks an important milestone in implementing the principle of "one country, two systems" and achieving reunification of the motherland. The PLA Hong Kong Garrison assuming its defense duties in the HKSAR represents an important symbol of the Chinese government's resumption of its exercise of sovereignty over the region, so your tasks are sacred and your responsibilities are momentous. When you are in Hong Kong, you must adhere to the PLA's purpose of serving the people wholeheartedly, carry on its fine traditions, perform your duties faithfully, observe strict discipline, and abide by the law. You must operate your garrison in accordance with the law; turn it into a mighty and civilized force that is qualified politically and competent militarily and has a fine work style, strict discipline and adequate logistics support; and make a positive contribution to safeguarding the sovereignty and territorial integrity of our motherland and maintaining the long-term prosperity and stability of Hong Kong.

Jiang Zemin
Chairman of the Central Military Commission
of the People's Republic of China

SPEECH AT THE CEREMONY FOR THE HANDOVER OF HONG KONG HELD BY THE CHINESE AND BRITISH GOVERNMENTS

July 1, 1997

Your Royal Highness Prince Charles,
Prime Minister Tony Blair,
Distinguished Guests,
Ladies and Gentlemen,

The national flag of the People's Republic of China and the regional flag of the HKSAR of the People's Republic of China have now been solemnly raised over Hong Kong. At this moment in time, the eyes of the people in all countries of the world are now focused on Hong Kong. The governments of China and Britain are holding this ceremony for the handover of Hong Kong as scheduled in the Sino-British Joint Declaration on the Question of Hong Kong to mark China's resumption of its exercise of sovereignty over the region and the official establishment of the HKSAR. This is a grand occasion for the Chinese nation, as well as a victory for the cause of world peace and justice.

July 1, 1997 will go down in history as an unforgettable day. The return of Hong Kong to the motherland after enduring a century of drastic changes marks a new beginning for our Hong Kong compatriots as true masters of this Chinese land and for Hong Kong itself as the beginning of a new era of development.

History will remember Mr. Deng Xiaoping for his creative concept of "one country, two systems." It was precisely by following the course clearly laid out by this great concept that we have successfully resolved the Hong Kong question through diplomatic negotiations and finally achieved Hong Kong's return to the motherland.

On this solemn occasion, I would like to express my thanks to all the people from both China and Britain who have contributed to the settlement of the Hong Kong question and to all the people in the world who have shown their concern and support for Hong Kong's return to the motherland.

On this solemn occasion, I would like to extend my cordial greetings and best wishes to our more than six million Hong Kong compatriots who

have now returned to the motherland's embrace.

Now that Hong Kong has returned to China, the Chinese government will unswervingly adhere to the basic principle of "one country, two systems," under which Hong Kong people are to administer Hong Kong with a high degree of autonomy, retain Hong Kong's current social and economic systems and way of life without change, and keep its current laws basically unchanged.

After the return of Hong Kong, China's Central People's Government will be responsible for the foreign and defense affairs of the region. The HKSAR will be vested with executive, legislative and independent judicial powers in accordance with the Basic Law, including the power of final adjudication. Hong Kong people will have rights and freedoms in accordance with the law. The HKSAR will gradually develop a democratic system in line with conditions in Hong Kong.

After the return, Hong Kong will retain its status as a free port; continue to function as an international financial, trade and shipping center; and maintain and develop its economic and cultural ties with other countries, regions, and international organizations. All countries' and regions' legitimate economic interests in Hong Kong will be protected by law.

I hope that all the countries and regions with investment and trade interests here will continue to work for the prosperity and stability of Hong Kong.

Our Hong Kong compatriots have a glorious tradition of patriotism. In the final analysis, Hong Kong's current prosperity was created by our Hong Kong compatriots aided by the development and support of China's mainland. I am confident that with the strong backing of the entire Chinese people, the government of the HKSAR and our Hong Kong compatriots will be able to successfully manage and develop Hong Kong, maintain its prosperity and stability long into the future, and create an even brighter future for Hong Kong.

Thank you.

SPEECH AT THE CEREMONY TO MARK THE ESTABLISHMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA

July 1, 1997

Ladies and Gentlemen,
My Compatriots,

Today the Chinese and British governments held the handover ceremony for Hong Kong to solemnly proclaim that the Chinese government has now resumed its exercise of sovereignty over the region. The HKSAR of the People's Republic of China has now been formally established. This is an event of great importance and far-reaching impact for Hong Kong, all of China and indeed the entire world. This is a festive occasion for our Hong Kong compatriots, all Chinese people and the entire Chinese nation.

On behalf of the Central People's Government of China and the people of all our ethnic groups, I would like to warmly congratulate all of you in this solemn historic moment of Hong Kong's return to the motherland and the establishment of the HKSAR, and express my cordial greetings to our more than six million Hong Kong compatriots who have now returned to our large family of the motherland. I would also like to express our gratitude to our compatriots in Hong Kong, Macao and Taiwan, and overseas Chinese who have contributed to Hong Kong's return and all the patriots who have supported China's reunification, as well as to all of our foreign friends who have shown their concern and support for Hong Kong's return. I would also like to extend a warm welcome to our distinguished guests and friends here at the ceremony on behalf of the Chinese government.

Hong Kong's return is a once-in-a-millennium event in the annals of the Chinese nation. Beginning today, our Hong Kong compatriots are the true masters here and a new chapter in the annals of Hong Kong is beginning.

Our forefathers have worked, lived and raised families here in Hong Kong for millennia. From the Qin Dynasty [221-206 BC] to Emperor Daoguang's reign in the Qing Dynasty [1820-50], China always exercised jurisdiction and sovereignty over Hong Kong. Following the two Opium Wars

waged by Britain in the mid-19th century, the British government forced the corrupt and incompetent Qing government to first sign the Treaty of Nanking in 1842 and then the Convention of Peking in 1860. In 1898, Britain forced the Qing government to sign the Convention of the Extension of Hong Kong, allowing Britain to occupy the entire Hong Kong region. In spite of Hong Kong's long separation from the motherland, the flesh-and-blood bond between people on the mainland and their Hong Kong compatriots has never weakened, nor has their shared concern for the wellbeing of the nation. The Chinese people have never recognized the unequal treaties imposed on them, never forgotten for a single day the humiliating occupation of Hong Kong, and never ceased in their relentless struggle to protect the sovereignty of the country and achieve their own liberation.

Time has passed and earthshaking changes have occurred. The raising of the first Five-Star Red Flag at Tiananmen Square heralded China's achievement of national independence and liberation of the people and its embarkation on the path of socialist development. The implementation of the reform and opening up policy infused fresh vigor into efforts to rejuvenate the Chinese nation and greatly raised China's international standing. It is under these historical conditions and against this background of recent events that Hong Kong has finally returned to the motherland.

On this day of national jubilation for the return of Hong Kong, we remember with great fondness and admiration the late Mr. Deng Xiaoping. With the exceptional wisdom of a great statesman, he introduced the creative concept of "one country, two systems," thus charting the correct course for us to follow in resolving the Hong Kong question through diplomatic negotiations and ensuring the long-term prosperity and stability of Hong Kong.

The HKSAR will continue to implement its capitalist system after the Chinese government resumes its exercise of sovereignty over Hong Kong, and it will retain its existing social and economic systems and way of life without change and retain its current laws basically unchanged, while most of the country continues to adhere to the socialist system.

As a special administrative region of the People's Republic of China, Hong Kong will enjoy a high degree of autonomy, as provided for in the Basic Law of the HKSAR, encompassing executive, legislative and independent judicial powers, including the power of final adjudication. The Central People's Government will administer the foreign and defense affairs of the HKSAR in accordance with the law. We would like to extend our sincere congratulations to Mr. Tung Chee-hwa, whose swearing-in

today will inaugurate him as the Chief Executive of the HKSAR government. We have full confidence in the HKSAR government under his leadership and will give it our full support. Not only Hong Kong, but also all departments of the central government, as well as the provinces, autonomous regions and municipalities directly under the central government, shall observe the Basic Law. No central department or local government will interfere or will be allowed to interfere in any affairs subject to independent administration by the HKSAR in accordance with the Basic Law.

The overwhelming majority of Hong Kong's current laws will remain in force after the region returns to the motherland. Hong Kong residents will continue to enjoy their rights and freedoms in accordance with the law and will be equal before the law. The provisions of the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and international labor conventions that apply to Hong Kong will remain in force and will be implemented through the laws of the HKSAR. Gradual improvement of the democratic system in line with conditions in Hong Kong is an important guarantee for its social and political stability. Hong Kong will develop democracy gradually in accordance with the Basic Law to ultimately achieve the aim of electing the Chief Executive and the Legislative Council through universal suffrage.

After its return, Hong Kong will retain its status as a free port and an international financial, trade and shipping center, and continue to maintain and develop economic and cultural relations with other countries, regions and international organizations; this international economic metropolis will thus remain a vigorous and dynamic region for a long time to come. The HKSAR will protect private property ownership and independently formulate economic, trade, financial, monetary, education, scientific and technological, cultural and athletic policies in accordance with the law. The region shall have an independent public finance system, implement an independent taxation system, and act as a separate customs territory. All the economic and trade activities and investment interests of other countries and regions in Hong Kong will be protected by law.

The Central People's Government formulated these principles and policies after carefully considering the need to safeguard both the immediate interests of our Hong Kong compatriots and the fundamental interests of the Chinese nation. Adhering to these principles and policies benefits Hong Kong, the country as a whole and the entire world. Therefore, there is no reason whatsoever to change them. Here, I would like to reaffirm

that the principle of "one country, two systems," under which Hong Kong people administer Hong Kong with a high degree of autonomy, will remain unchanged for 50 years. This is a long-term basic principle.

In the final analysis, Hong Kong's current success is a result of the work of our Hong Kong compatriots. Their pioneering and enterprising spirit fills people around the world with deep admiration. Our Hong Kong compatriots will certainly carry forward this valuable spirit and bring about a better future for Hong Kong. Mr. Deng put it well when he said, "The Chinese in Hong Kong have the ability to run the affairs of Hong Kong well and they should be confident of that."[1]

Hong Kong's current success is inseparable from the development of the motherland and the support of the people on the mainland. Since the founding of New China, the Chinese government has consistently supported the social stability and economic development of Hong Kong. Since the mainland began to implement the reform and opening up policy, that support has become even stronger and more dependable. Hong Kong has benefited immensely from its status as an important bridge linking China and the rest of the world in economic, scientific and technological and cultural exchanges. As the motherland continues to modernize, Hong Kong's economic links with the mainland will become ever closer and its role as a bridge will become ever stronger. This will in turn give a stronger impetus to Hong Kong's economic growth.

Hong Kong's current success is also attributable to many other factors. Hong Kong's advantageous geographical location, free port policy of complete openness, well-developed legal system, highly efficient team of civil servants, and effective economic management and civic administration have all aided its economic development. These factors will continue to play a positive role after its return.

Our Hong Kong compatriots are known for their glorious tradition of patriotism. They have made important contributions to the struggle for national liberation and to the modernization of the motherland. Their love for the motherland and Hong Kong is sure to continue to grow, and they will regard it as their greatest honor to maintain the long-term prosperity and stability of Hong Kong and to safeguard the fundamental interests of the country and the nation.

Many foreigners live in Hong Kong, some of whom have made the region their home, and Hong Kong will remain a home for them where they can live and work in peace and contentment. Everyone in Hong Kong,

regardless of their ethnic background or the color of their skin, will have the chance to compete on an equal footing and exercise the rights and freedoms guaranteed to them under the law.

By achieving a negotiated settlement of the Hong Kong question, the Chinese and British governments have provided the international community with a model of countries being able to achieve a peaceful settlement of a historical problem. Here, I would like to express my thanks to the British nationals, both within and without the government, who have contributed to the smooth transition of Hong Kong. We are confident that the successful solution of the Hong Kong question will help strengthen the friendship between the peoples of China and Britain.

The great undertakings of reform, opening up and modernization have brought about tremendous changes in China's economic and social life. The most fundamental reason for all our achievements is our successful adherence to the path of building socialism with Chinese characteristics. We will unswervingly take economic development as our central task and continue to deepen reform, open wider to the outside world and work for all-round social progress. We will unswervingly continue to promote peaceful reunification of the motherland in accordance with the principle of "one country, two systems" in order to ensure the smooth return of Macao and eventually resolve the Taiwan question. We will unstintingly pursue our independent foreign policy of peace and join the people of other countries in actively contributing our efforts to safeguarding world peace, promoting development of all countries and regions, and establishing a just and equitable new international order of peace and stability.

The countdown to the 21st century has already begun. Our country is at an important historical juncture. All Chinese people, including our compatriots in Hong Kong, Macao and Taiwan, and overseas Chinese, should unite, and all patriots who support China's reunification and care about its development should unite so that we can work together with one mind, seize the opportunities of the day, keep abreast of the times, and strive for the complete reunification of the motherland and total rejuvenation of the Chinese nation.

Thank you.

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[1] "One Country, Two Systems," *Selected Works of Deng Xiaoping,* Eng. ed., FLP, Beijing, 1994, Vol. III, p. 70.

RESTORE THE BEAUTIFUL LANDSCAPE OF NORTHWEST CHINA*

August 5, 1997

Reading this investigative report made me very happy. The measures taken to control soil erosion and improve the ecosystem in northern Shaanxi Province and the experience gained therefrom have both been good.

China is an ancient civilization with a history that spans thousands of years. The Yellow River Valley, which includes Gansu and Shaanxi provinces, is the main birthplace of the Chinese nation. Thirteen dynasties, including the Zhou, Qin, Han and Tang, founded their capitals in Shaanxi. Shaanxi, Gansu and other areas in northwest China were flourishing and prosperous, with lush vegetation, for quite a long time in ancient history. "It is endowed with beautiful mountains, forests, rivers and valleys and a great wealth of natural resources."[1] This passage describes natural scenery in and around Shaanxi in ancient times. In his *Comprehensive Mirror for Aid in Government,* Sima Guang[2] depicted the state of development of Shaanxi and Gansu in the flourishing period of the Tang Dynasty as follows: "There are numerous households and dense mulberry trees and hemp plants. There is no other place under heaven more prosperous than the area around Shaanxi and Gansu." However, the ravages of war and damage from natural disasters and excessive logging later caused severe desertification in Shaanxi, Gansu and other parts of northwest China, thereby greatly hindering the region's economic and cultural development.

We need to make use of the superiority of socialism, foster a hard-working and enterprising spirit, and work hard together to reforest the region, green the desert wastes and develop eco-friendly agriculture to fundamentally transform the region's poor ecosystem bequeathed to us by history. It should be possible to restore northwest China's beautiful landscape through the prolonged and sustained efforts of generations of Chinese.

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* Comments on the Investigative Report on Controlling Soil Erosion and Developing Eco-Friendly Agriculture in Northern Shaanxi Province.

[1] *Xunzi*, "Strengthen the State."

[2] Sima Guang (1019-86), a native of Xiaxian County, Shanzhou (now Xiaxian County, Shanxi Province), was a government minister and historian in the Northern Song Dynasty and served in a number of official positions including Prime Minister. He compiled the *Comprehensive Mirror for Aid in Government*, which chronologically narrates the history of China from the Warring States Period in 475 BC to the Five Dynasties in 960.

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