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January 18 - February 21, 1992

**OPENING SPEECH AT THE TWELFTH NATIONAL
CONGRESS OF
THE COMMUNIST PARTY OF CHINA**
September 1, 1982

Comrades,

I now declare open the [Twelfth National Congress of the Communist Party of China](#).

There are three main items on our agenda: (1) to consider the report of the Eleventh Central Committee and decide on the Party's programme for opening up new prospects in all fields of socialist modernization; (2) to consider and adopt the new Constitution of the Communist Party of China; and (3) in accordance with the provisions of the new Party Constitution, to elect a new Central Committee, a Central Advisory Commission and a Central Commission for Discipline Inspection.

When these tasks have been accomplished, our Party will have clearer ideological guidelines for socialist modernization, our efforts to build the Party will conform more closely to the needs of the new historical period, and new cadres will be able to cooperate with old cadres and succeed them in the Party's highest organs, which will thus provide even more vigorous and militant leadership.

A review of the Party's history will show this Congress to be one of the most important since our [Seventh National Congress](#).

The Seventh Congress, held in 1945 and presided over by Comrade Mao Zedong, was the most important in the period of democratic revolution after the founding of our Party. The delegates summed up the historically significant experience gained in the course of the twists and turns of that revolution during the preceding quarter of a century, formulated a correct programme and correct tactics and straightened out the wrong ideas inside the Party. They thus achieved a unity of understanding based on Marxism-Leninism and Mao Zedong Thought, and as a result, the Party became more united than ever before. It was the Seventh Congress that laid the foundation for our nationwide victory in the new-democratic revolution.

The [Eighth Congress of the Party](#), held in 1956, analysed the situation after the socialist transformation of private ownership of the means of production had been basically completed and set for the nation the task of all-round socialist construction. Its line was correct. However, because the Party was still inadequately prepared ideologically for all-round socialist construction, that line and the many correct views put forward at the congress were not fully implemented. After the Eighth Congress we achieved many successes in socialist construction, but we also suffered grave setbacks.

The present congress is being held in circumstances vastly different from those prevailing at the time of the Eighth Congress. Just as the quarter century of twists and turns in our democratic revolution before the Seventh Congress taught the Party the laws governing that revolution, so the quarter century of twists and turns in our socialist revolution and construction since the Eighth Congress has taught the Party other profound lessons. Since the Third Plenary Session of the Eleventh Central Committee, the Party has returned to its correct policies in the economic, political, cultural and other fields. In addition, after a study of the new situation and new experience, it has adopted a series of correct new policies. Our Party now has a much deeper understanding of the laws governing China's socialist construction than it did at the time of the Eighth Congress, and it has become much more experienced, purposeful and determined to implement correct principles. We have every reason to believe that the correct programme that will be decided on at this congress will create a new situation in all fields of socialist modernization and bring prosperity to our Party, our socialist cause, our country and the people of all our nationalities.

In carrying out our modernization programme we must proceed from Chinese realities. Both in revolution and in construction we should also learn from foreign countries and draw on their experience, but mechanical application of foreign experience and copying of foreign models will get us nowhere. We have had many lessons in this respect. 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 -- that is the basic conclusion we have reached after reviewing our long history.

China's affairs should be run according to China's specific conditions and by the Chinese people themselves. Independence and self-reliance have always been and will always be their basic stand. While the Chinese people value their friendship and cooperation with other countries and other peoples, they value even more their hard-won independence and sovereign rights. No foreign country should expect China to be its vassal or to accept anything that is damaging to China's own interests. We shall unswervingly follow a policy of opening to the outside world and increase our exchanges with foreign countries on the basis of equality and mutual benefit. At the same time, we shall keep clear heads, firmly resist corruption by decadent ideas from abroad and never permit the bourgeois way of life to spread in our country. 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.

The 1980s will be an important decade in the history of our Party and state. To accelerate socialist modernization, to strive for China's reunification and particularly for the return of Taiwan to the motherland, and to oppose hegemonism and work to safeguard world peace -- these are the three major tasks of our people in this decade. Economic development is at the core of these tasks; it is the basis for the solution of our external and internal problems. For a long time to come, at least for the 18 years till the end of the century, we must devote every effort to the following four undertakings: to restructure the administration and the economy and make our ranks of cadres more revolutionary,

younger, better educated and more competent professionally; to build a socialist society that is culturally and ideologically advanced; to combat economic and other crimes that undermine socialism; and to rectify the Party's style of work and consolidate its organization on the basis of a conscientious study of the new Party Constitution. These will be the most important guarantees that we shall keep to the socialist road and concentrate on modernization.

With 39 million members, ours is now a huge Party playing a leading role in the exercise of state power. However, Communist Party members will always be a minority in the population as a whole. None of the major tasks proposed by the Party can be accomplished without the hard work of the people. Here, on behalf of the Party, I wish to pay high tribute to all the workers, peasants and intellectuals who have worked diligently for socialist modernization and to the People's Liberation Army -- that Great Wall of steel safeguarding the security and socialist construction of our motherland.

China's democratic parties fought beside our Party in the period of the democratic revolution, and together with us they have advanced and been tested in the socialist period. In the construction work ahead the CPC will continue its long-term cooperation with all patriotic democratic parties and individuals. On our Party's behalf, I wish to express sincere gratitude to all the democratic parties and to all our friends without party affiliation.

The cause of the CPC has enjoyed the support and assistance of progressive people and friendly countries throughout the world. On behalf of our Party, I wish to express our sincere thanks to them also.

We must do our work carefully and well. We must strengthen our Party's unity with the people of all ethnic groups in our country and with the people of the rest of the world. We must struggle hard to make China a modern socialist country that is highly democratic and culturally advanced. We must also struggle hard to oppose hegemonism, safeguard world peace and promote human progress.

**SPEECH AT THE FIRST PLENARY SESSION OF
THE CENTRAL ADVISORY COMMISSION OF
THE COMMUNIST PARTY OF CHINA**

September 13, 1982

The Central Advisory Commission is something new. Established in light of the circumstances of the Communist Party of China, it is an organizational form that will enable new cadres to succeed the old ones in the central leading organs of the Party. The purpose of establishing this Commission is to lower the average age of members of the Central Committee and at the same time to make it possible for some elderly comrades who have retired from the forefront of affairs to continue to play a certain role.

In a sense, the Central Advisory Commission is a transitional organization. Both the government and the Party should ultimately establish a system of retirement. Shortly after the Third Plenary Session of the Eleventh Central Committee, we began to stress the need to abolish the de facto system of life tenure in leading Party and government posts. I am afraid that many countries in the world are more successful in solving this problem than we are. The problem of the aging of our cadres, if not critical, is at least very serious. If this problem is not solved, our government and our Party will have no vitality. Now we have begun to solve it. A transitional measure, like establishing the Central Advisory Commission, conforms to our actual conditions, is appropriate and will be implemented smoothly. I think we can say that this is a great step forward in our efforts to ensure that the old are succeeded by the young. If, through this transitional measure, the problem is solved smoothly and by the end of two five-year periods a retirement system is established, that will be a great victory for us. It will be a good thing for the development of our country. We can therefore expect that the Central Advisory Commission will be abolished in 10 or at most 15 years. It may need to exist for ten years or two terms. I'm afraid it would not be appropriate for it to serve only one term; that would be too short a time. Today the Central Advisory Commission has only just been established, and I am already saying that it is going to be abolished. That makes it clear that the organization is only transitional. We respect the dialectics of life and history.

How is the Central Advisory Commission to go about its work? Generally speaking, it should act in accordance with the provisions of the new Party Constitution. According to the Constitution, the members of the Commission are to act as political assistants and consultants to the Central Committee. They may attend plenary sessions of the Central Committee as observers. The vice-chairmen of the Commission may attend meetings of the Political Bureau as observers and, when the Political Bureau deems it necessary, other members of the Standing Committee of the Commission may do so too. That is to say, in the activities of the Party, the vice-chairmen of the Central Advisory Commission and the members of its Standing Committee have the same status as members of the Political Bureau of the Central Committee.

The Party Constitution also stipulates that the Central Advisory Commission, working under the leadership of the Central Committee, has four major tasks. These are as follows: 1) to put forward suggestions on the formulation and implementation of the Party's principles and policies and give advice upon request; 2) to assist the Central Committee in investigating and handling certain important questions; 3) to propagate the Party's major principles and policies both inside and outside the Party; and 4) to undertake such other tasks as may be entrusted to it by the Central Committee. In principle, these are our tasks; the problem is how to carry them out. There are a few things we have to sort out, including the establishment of a working body. I propose that we should not have a large body but a simple one with just a few people. I should like to put Comrade [Bo Yibo](#) in charge of the day-to-day work of the Central Advisory Commission, so as to reduce my workload.

As all of us are veteran comrades, I'll come straight to the point. First, the Central Advisory Commission has to be careful not to hinder the work of the Central Committee.

We have to be strict about this, because we are senior leaders and, indeed, have more prestige than the members of the current Central Committee. In the future, the Central Committee will have younger and younger members, so they will be even more junior to us. If we take a correct attitude, we shall help them in their work. If we act inappropriately, we may have a bad effect.

Just as we should not hinder the work of the Central Committee, including the Political Bureau and the Secretariat, neither should we hinder the work of the organizations at lower levels. For example, when we go on a fact-finding tour in a certain province, I think we should not offer opinions casually. We should first investigate the conditions and study the experience of the local people. If we think there is a problem, we should help the provincial Party committee or the grass-roots organization concerned but allow them to solve it themselves. We should pass our experience on to them, help them and guide them, but not order them about. As we enjoy seniority, our words will be listened to and will carry weight. So we have to be careful what we say. We should pay attention to this from the very beginning. Not long ago Comrade [Zhang Yun](#) worked in Fujian Province for more than two months. She did a good job there.

Second, members of the Central Advisory Commission should keep in touch with the masses. Perhaps all comrades, except those in poor health -- all of us who can still do some work -- could choose a grass-roots unit such as a factory, a school, a scientific research institution, a prefectural or county Party committee or even a village Party branch in the countryside and try to find out how things are there. In this way, we shall be better able to help the Central Committee as consultants and assistants. In the unit we have chosen we can also make reports and meet with the masses and Party members, keeping them informed about state affairs, about the principles and policies adopted by the Party at every stage and about the international situation and our foreign policy. Making reports is in itself a way of passing our experience on and of helping and guiding people. We can tell them about current issues as well as historical events. We are qualified to talk about historical events, because we have been working for the revolution for dozens of years and have many stories to tell.

Third, still another role for us to play is to set an example of the Party's fine style of work. If we want to promote ethical progress, it is crucial for us to set an example. When we veteran comrades go down to a grass-roots unit, the people there will respect us. They will take care of everything for us, and we should try not to give them too much trouble.

In short, how the Central Advisory Commission should do its work and what role it should play are new questions. I am sure that we veteran comrades will be able to handle them well.

(A few days earlier the Twelfth National Congress of the CPC had established a Central Advisory Commission and elected its members. The Twelfth Central Committee of the Party, at its First Plenary Session held on September 12, had elected Deng Xiaoping to its Political Bureau and to the Bureau's Standing Committee and appointed him Chairman of

the Central Military Commission. At the First Plenary Session of the Central Advisory Commission, he was also elected Chairman of that body.)

WE SHALL CONCENTRATE ON ECONOMIC DEVELOPMENT

September 18, 1982

We have just held the [Twelfth National Congress of the Communist Party of China](#). Thanks to that congress, the political situation in our country will be more stable than ever before. This will make it possible for us to concentrate all the more on economic development.

The [objective set at the Twelfth National Congress](#) is to quadruple the gross annual value of industrial and agricultural output in 20 years, starting from 1981, that is, by the end of the century. We shall achieve this objective in two stages. In the first ten years, we shall lay a solid foundation and in the second, develop at high speed. Our strategic priorities will be first, agriculture; second, energy resources and communications; and third, education and science. I think the third priority is crucial. We cannot succeed without skilled personnel and knowledge. A grave mistake of the "cultural revolution" was that for ten years it made it impossible to train people. Now we should lose no time in developing education.

At the Twelfth National Congress comrades who had made mistakes were handled with circumspection. After the downfall of the Gang of Four, the comrade in charge of the work of the Central Committee at the time clung to a "Left" political line and put forward a wrong ideological line known as the "two whatevers". As I have said before, if Chairman Mao had still been around, he would never have accepted that line, because it was not in conformity with Marxism-Leninism and Mao Zedong Thought. For one thing, if the "two whatevers" had been followed, I would never have come back to work. I came back in July 1977, nine months after the Gang of Four had been smashed. It was then that I was allowed to attend the meetings of the Central Committee. After my return, I put forward the idea that the essence of Mao Zedong Thought was seeking truth from facts, and that gave rise to a debate about whether [practice is the sole criterion for testing truth](#). At the time, some people opposed the debate. In June 1978 I delivered a speech about this ideological line at an all-army conference on political work. Later, when I was on my way back from a visit to your country, I made similar speeches in the three provinces of Northeast China [Heilongjiang, Jilin and Liaoning].

After about one year of debate, at the end of 1978 we convened the Third Plenary Session of the Eleventh Central Committee. At that session we criticized the idea of the "two whatevers" and put forward instead the slogan "We must emancipate our minds and use our heads." We declared that we had to integrate theory with practice and proceed from reality in everything we did, affirmed that practice was the sole criterion for judging truth and reestablished the ideological line of seeking truth from facts. It was after we resolved

the question of the ideological line that we were able to formulate correct new policies. These include, above all, the policy of shifting the focus of our work to economic development, but also rural policies, policies on foreign relations and a complete set of policies on building socialism.

Wherever I went in the three northeastern provinces, I stressed the need to concentrate on economic development. In a country as big and as poor as ours, if we don't try to increase production, how can we survive? How is socialism superior, when our people have so many difficulties in their lives? The Gang of Four clamoured for "poor socialism" and "poor communism", declaring that communism was mainly a spiritual thing. That is sheer nonsense! We say that socialism is the first stage of communism. When a backward country is trying to build socialism, it is natural that during the long initial period its productive forces will not be up to the level of those in developed capitalist countries and that it will not be able to eliminate poverty completely. Accordingly, in building socialism we must do all we can to develop the productive forces and gradually eliminate poverty, constantly raising the people's living standards. Otherwise, how will socialism be able to triumph over capitalism? In the second stage, or the advanced stage of communism, when the economy is highly developed and there is overwhelming material abundance, we shall be able to apply the principle of from each according to his ability, to each according to his needs. If we don't do everything possible to increase production, how can we expand the economy? How can we demonstrate the superiority of socialism and communism? We have been making revolution for several decades and have been building socialism for more than three. Nevertheless, by 1978 the average monthly salary for our workers was still only 45 yuan, and most of our rural areas were still mired in poverty. Can this be called the superiority of socialism? That is why I insisted that the focus of our work should be rapidly shifted to economic development. A decision to this effect was made at the Third Plenary Session of the Eleventh Central Committee, and it represented an important turning point. Our practice since then has shown that this line is correct, as the whole country has taken on an entirely new look.

Between the Third Plenary Session of the Eleventh Central Committee and the Twelfth National Congress, we have blazed a new path: concentrating on economic development.

(Excerpt from a talk with Kim Il Sung, General Secretary of the Central Committee of the Korean Workers' Party, while the two men were on their way to Sichuan Province.)

OUR BASIC POSITION ON THE QUESTION OF HONG KONG

September 24, 1982

Our basic position on the [question of Hong Kong](#) is clear. There are three major issues involved. One is sovereignty. Another is the way in which China will administer Hong Kong so as to maintain its prosperity after 1997. And still another is the need for the

Chinese and British governments to hold appropriate discussions on ways to avoid major disturbances in Hong Kong during the 15 years between now and 1997.

On the question of sovereignty, China has no room for manoeuvre. To be frank, the question is not open to discussion. The time is ripe for making it unequivocally clear that China will recover Hong Kong in 1997. That is to say, China will recover [not only the New Territories but also Hong Kong Island and Kowloon](#). It must be on that understanding that China and the United Kingdom hold talks on the ways and means of settling the Hong Kong question.

If China failed to recover Hong Kong in 1997, when the People's Republic will have been established for 48 years, no Chinese leaders or government would be able to justify themselves for that failure before the Chinese people or before the people of the world. It would mean that the present Chinese government was just like the government of the late Qing Dynasty and that the present Chinese leaders were just like [Li Hongzhang](#)!

We have waited for 33 years, and if we add another 15 years, that will make 48. We are able to wait for such a long time because we enjoy the full confidence of the people. But if we failed to recover Hong Kong in 15 years, the people would no longer have reason to trust us, and any Chinese government would have no alternative but to step down and voluntarily leave the political stage. Therefore, at this time -- I don't mean today, of course, but in no more than one or two years -- China will officially announce its decision to recover Hong Kong. We can wait another year or two, but definitely not longer.

In a broad sense, China's announcement of this policy decision will be beneficial to Britain too, because it will mean that 1997 will mark the end of the era of British colonial rule, and that will be welcomed by world public opinion. So the British government should support this policy decision. The Chinese and British governments should work together to handle the question of Hong Kong in a satisfactory manner.

We hope to have Britain's cooperation in maintaining prosperity in Hong Kong, but this does not mean that continued prosperity can only be ensured under British administration. It depends fundamentally on applying policies suitable to Hong Kong, under Chinese administration after the recovery. Hong Kong's current political and economic systems and even most of its laws can remain in force. Of course, some of them will be modified. Hong Kong will continue under capitalism, and many systems currently in use that are suitable will be maintained. Before formulating the principles and policies for the next 15 years and beyond, we shall have an extensive exchange of views with Hong Kong people from all walks of life. These principles and policies should be acceptable not only to the people of Hong Kong but also to foreign investors, and first of all to Britain, because they will benefit them too. We hope that the Chinese and British governments will engage in friendly consultations on this question, and we shall be glad to listen to suggestions put forward by the British government. All this will take time. Why must we wait one or two years before announcing our decision to recover Hong Kong? Because during that period we hope to consult with all sorts of people.

The main concern of people today is that if prosperity is not maintained in Hong Kong, it might retard China's drive for modernization. In my opinion, while we cannot say it would have no effect whatever on China's modernization, it would be a mistake to say the effect would be very great. If China had decided to base the success of its modernization drive on prosperity in Hong Kong, that policy decision would have been wrong. People are also concerned about the possible withdrawal of foreign capital from Hong Kong. But so long as our policies are appropriate, capital that leaves Hong Kong will return. Therefore, when we announce our decision to recover Hong Kong in 1997, we should at the same time announce the systems and policies that will be applied there after that date.

As to the assertion that once China declares its decision to recover Hong Kong in 1997 there will be disturbances there, I believe that while minor disturbances are inevitable, major ones can be avoided if China and Britain approach the question in a cooperative spirit. I also want to tell Madam that when the Chinese government made this policy decision, it took all eventualities into account. We even considered the possibility of something we would hate to see happen -- that is, we considered what we should do if serious disturbances occurred in Hong Kong during the 15-year transition period. The Chinese government would then be compelled to reconsider the timing and manner of the recovery. If the announcement of the recovery of Hong Kong has, as Madam put it, "a disastrous effect", we shall face that disaster squarely and make a new policy decision. I hope that beginning from Madam's current visit, government officials of the two countries will conduct earnest consultations through diplomatic channels to find ways of avoiding any disasters.

I am convinced that we can work out policies that should be applied after the recovery of Hong Kong and that will be acceptable to all quarters. I have no concern on that score. What I am concerned about is how to make a smooth transition over the next 15 years. I am concerned that there may be major disturbances in this period, man-made disturbances. These could be created not just by foreigners but also by Chinese -- but chiefly by Britons. It is very easy to create disturbances. This is precisely the problem our consultations will be designed to solve. The governments of the two countries should not only refrain from doing anything that would impair the prosperity of Hong Kong, but they should also ensure that entrepreneurs and people in all other lines of work refrain as well. There must be no major disturbances in Hong Kong during the 15-year transition period, and affairs there must be administered even better after the Chinese recovery in 1997.

We suggest that an agreement be reached that the two sides will begin consultations on the question of Hong Kong through diplomatic channels. The prerequisite is the understanding that China will recover Hong Kong in 1997. On this basis we should discuss how to carry out the transition successfully in the next 15 years and what to do in Hong Kong after the end of that period.

(A talk with British Prime Minister Margaret Thatcher.)

IN THE FIRST DECADE, PREPARE FOR

THE SECOND

October 14, 1982

The objective for the two decades from 1981 and the end of this century has been set: on the basis of steadily improved economic performance, we shall try to quadruple the gross annual value of industrial and agricultural output by the year 2000. Can it be done? The Twelfth National Congress of the Party says it can. And I also believe it can. But whether it really will be done depends on the success of our work in the years to come.

Two years of the Sixth Five-Year Plan period [1981-1985] have already passed, and careful arrangements should be made for the next three. Right now we should concentrate on working out a long-term programme. The key is to use the first decade to prepare for the second.

In preparing for the second decade we are in a race against time. We must be very careful about this. Instead of undertaking projects all at once, we must determine priorities. We should concentrate our funds on those projects that can be launched sooner than others. If we start some a year earlier, we shall derive the benefits a year earlier. Things must not be allowed to drag on into the next century. If we really want to promote economic development, we shall have to carry out some key projects, and we must be determined to do so, whatever the difficulties. If we don't have enough money and materials for them, we must cut back local projects, especially those for ordinary processing industries. For no matter how many of these minor projects we complete, they won't amount to much.

One way in which socialism is superior to capitalism is that under socialism the people of the whole country can work as one and concentrate their strength on key projects. A shortcoming of socialism is that the market is not put to best use and the economy is too rigid. How should we handle the relation between planning and the market? If we handle it properly, it will help greatly to promote economic development; if we don't, things will go badly.

You have proposed a number of major prospecting and design projects to prepare for construction, and you plan to complete them ahead of schedule. This work has to be done carefully. There must be a timetable for prospecting and design, and there must be people in charge of monitoring each undertaking. No time should be lost in doing the preparatory work for energy projects, such as coal, power and oil projects, and for those in communications. These must not be delayed. We are going to have an energy shortage not only during the period of the Sixth Five-Year Plan but for a fairly long time thereafter. As we cannot produce enough thermoelectricity, we should try to generate more hydroelectricity. If a major hydroelectric project can be completed, it will be a great help.

Our strategy for developing the economy as a whole gives priority to energy, communications and agriculture. Agricultural development depends first on policy and

second on science. There are no limits to the development of science and technology or to the effect they can have.

You propose to do good work in science and technology and in the training and employment of talented people. I think this will be the most difficult task. How can we put the several million key intellectuals to use if we haven't worked out a set of measures to be taken? My guess is that we have several million intellectuals who before the "cultural revolution" graduated from colleges or universities or reached the equivalent educational level through independent study. They will help a great deal if they are put to proper use. We do have trained people, but the problem is how to organize them, arouse their enthusiasm and give full play to their special skills. On the one hand, we have an acute shortage of scientists and technicians. On the other hand, highly trained people are often wasted because of poor organization. They are not assigned enough work, or they can't apply what they have learned or put their special skills to best use. This method of management doesn't work. It is imperative to find ways to break down the barriers between the military and the civilian, between departments and between local areas and to make proper use of the talents of the scientists and technicians throughout the country. Comrade [Nie Rongzhen](#) used to be in charge of these matters, and he did a good job. At the time, personnel could be transferred according to need and employed in large numbers for key projects.

In implementing the policy towards intellectuals, the first priority is to ensure better administration of the work of scientists and technicians. Trained personnel will mature only if we give them free rein. People of genuine ability should be promoted without hesitation and given pay raises of more than one step at a time. It is also a good idea to invite people to apply for jobs. We should stop placing restrictions on talented people and provide them with opportunities for rapid growth. With increasing numbers of skilled personnel, we can have high hopes for our cause. We have to find ways to provide such opportunities. People in all fields of endeavour, including those in enterprises, should try to solve this problem. This is crucial if we are going to fulfil the programme for the next two decades.

(Main points of a talk with leading members of the State Planning Commission. The editors have included some remarks made to the same persons on July 26.)

**PROMOTE THE FRIENDSHIP BETWEEN CHINA
AND INDIA AND INCREASE
SOUTH-SOUTH COOPERATION**

October 22, 1982

Both China and India are developing countries, but they are not without importance in world affairs. They have the biggest populations: added together, they amount to 1.7 billion, more than one third of the world's people. As the two countries are neighbours, we cannot afford not to understand each other and promote the friendship between us. In

the mid-1950s we cooperated very closely. The [Five Principles of Peaceful Coexistence](#), jointly initiated by Premier Zhou Enlai and Prime Minister Jawaharlal Nehru, have been recognized the world over.

The problem between China and India is not a serious one. Neither country poses a threat to the other. The problem we have is simply about the border. Both countries should make an effort to restore the friendship that existed between them in the 1950s. As long as we go about it in a reasonable way, I think it will be easy for us to settle our border question. When I met your former foreign minister in 1979, I put forward a "package solution" to the problem. If both countries make some concessions, it will be settled. Because this question has a long history, you have to take into account the feelings of your people, and we also have to take into account the feelings of our people. But if the two sides agree to the "package solution", they should be able to convince their people. We have settled border questions with many other countries simply by having both parties make concessions. I believe that we shall eventually find a good solution. Even if the border question cannot be resolved for the time being, we can leave it as it is for a while. We still have many things to do in the fields of trade, the economy and culture and can still increase our exchanges so as to promote understanding and friendship between us. The two countries have broad prospects for cooperation. We hope that we shall develop and that you will too.

We are very pleased that Third World countries have put forward the question of South-South cooperation. Of course, the question of relations between the South and the North should also be resolved. With the Third World so heavily in debt, how will its people be able to survive? If the developed countries don't use their money to help the developing countries expand their economies, they won't have any market in the Third World. The rich countries are getting richer and the poor ones are getting poorer. Solving this problem is a major international task. It will obviously be difficult. As a Chinese saying goes, the richer a man is, the meaner he is. Rich countries are reluctant to provide more money to the Third World, let alone transfer their technology to it. So it is not enough for the Third World to place its hopes on a change in relations between the South and the North. There must also be South-South cooperation. In one way or another, a certain range of problems can be solved through such cooperation. During recent years the Third World has developed to some extent. And every country has some good things to exchange with other countries and can cooperate with them. If we want to change the international economic order, we must, above all, settle the question of relations between the South and the North, but at the same time we have to find new ways to increase South-South cooperation.

(Excerpt from a talk with a delegation from the Indian Council for Social Sciences Research.)

PLANT TREES EVERYWHERE

November and December 1982

I

Plant trees everywhere and make our country green in the interest of future generations.

(Message for a conference held by the People's Liberation Army to review the experience in afforestation and to honour outstanding units and individuals for their work.)

II

This work should continue for 20 years and be more solid and successful every year. If it is to have substantial results, there must be a workable system of inspection, with rewards and penalties.

(Comments made on December 26, 1982, after reading a report by the Ministry of Forestry on the nationwide movement to plant trees.)

OUR WORK IN ALL FIELDS SHOULD CONTRIBUTE TO THE BUILDING OF SOCIALISM WITH CHINESE CHARACTERISTICS

January 12, 1983

According to the latest statistics, gross industrial and agricultural output in 1982 increased by 8 per cent, greatly exceeding the originally planned figure of 4 per cent -- something that had not happened in the previous two years. This raises a question: What will come of achieving a much higher growth rate than projected in the annual plan? We must investigate and study this question right away and analyse it correctly. However, this doesn't mean we should alter our Sixth Five-year Plan. Long-term plans should be more flexible, while annual plans should be more specific, though of course they should have some flexibility too. We should pay attention to improving economic efficiency, instead of just going after increases in the value and quantity of output. Experience shows that whenever our plans have been too ambitious, we have overreached ourselves. This has been a bitter lesson for us. We are already aware of this mistake and will continue to guard against it in future. But now we face the opposite situation. In short, the principles for drawing up plans are: they should be specific, flexible and achievable if we work hard.

There should be a comprehensive plan for agricultural production, giving priority to increasing the output of grain. We must carefully work out the minimum amount of grain that will have to be produced in the year 2000 in order for each person to have enough. One way or another, we must reach this target in 2000. It is a goal of strategic importance. In China, each person usually consumes 200 to 250 kilogrammes of grain a year, and that is in addition to the amount required for seed, animal feed and industrial uses. It is no easy thing to produce enough grain; it calls for efforts by several different sectors. The overall plan should include specific means by which to achieve this goal. For

instance, there should be separate figures for the amount of additional grain to be produced through the use of more fertilizer, through the use of improved varieties of seeds, through improved capital construction, through prevention and control of plant diseases and elimination of pests, through better management and so on. Nevertheless, we cannot rely solely on increases in grain production to quadruple agricultural production as a whole; we must rely primarily on diversification. Agriculture has great potential waiting to be tapped, but we haven't even begun to outline general goals yet. Agronomists have made many good suggestions. We must step up scientific research and the training of competent personnel. We must concentrate on key projects in agricultural science. We must never forget that agriculture is the foundation of our economy.

Some people in rural areas and cities should be allowed to get rich before others. It is only fair that people who work hard should prosper. To let some people and some regions become prosperous first is a new policy that is supported by everyone. It is better than the old one. In agriculture I favour the system of contracted responsibility for larger tracts of land. This system should be adopted more widely. In short, our work in all fields should help to build socialism with Chinese characteristics, and it should be judged by the criterion of whether it contributes to the welfare and happiness of the people and to national prosperity.

(Excerpt from a talk with leading members of the State Planning Commission, the State Economic Commission and departments in charge of agriculture.)

REMARKS AFTER AN INSPECTION TOUR OF JIANGSU PROVINCE AND OTHER PLACES

March 2, 1983

I recently travelled from Jiangsu to Zhejiang Province and from there to Shanghai. On this trip I found things were going very well. People were in excellent spirits. There were many new houses, there were plenty of consumer goods on the market, and cadres were brimming with confidence. Prospects are obviously bright for our modernization programme. There should be more detailed overall planning for quadrupling gross annual industrial and agricultural output by the end of the century. Every province and autonomous region and every municipality directly under the Central Government should have a specific plan, so that it knows exactly what to do. This includes backward regions such as Ningxia [Hui Autonomous Region], Qinghai [Province] and Gansu [Province]. We must help the provinces, autonomous regions and municipalities solve their most pressing problems and thus create the conditions that will enable them to fulfil their plans.

Gross annual industrial and agricultural output in the city of Suzhou has approached US\$800 per capita. I asked comrades in Jiangsu what society was like at that level of output and what the prospects were for development? They said that many problems had been solved.

1. People had adequate food, clothing and other consumer goods, so that they no longer had to worry about their basic needs;
2. They had enough housing, with 20 square metres per person. Because of the shortage of land, many two- and three-storey buildings had been erected in small towns and villages;
3. There was basically full employment in cities and towns;
4. Rural people were no longer pouring into big cities;
5. Primary and secondary education had become universal, and funds were available for education, culture, sports, public welfare and other undertakings; and
6. People's ethical standards had risen, and the crime rate had decreased.

In the six years from 1977 to 1982, the gross annual value of industrial and agricultural output in Jiangsu Province doubled. If it continues to grow at this rate, it will double again during the next six years from 1983 to 1988. I asked comrades in Jiangsu how they had managed it. They said they had done two things. One was to rely on technicians from Shanghai. The other was to promote collective ownership, that is, to set up small and medium-sized enterprises. Many retired workers from Shanghai were recruited in Jiangsu. They are highly skilled, and will work for not much pay. They are ready to accept work that brings them a little extra income and a few rooms to live in, and they have played an important role in increasing production. Over the years comrades in Jiangsu have valued knowledge and intellectuals and have put them to good use. In a few cities in Jiangsu the technical level of production is no longer inferior to that in Shanghai.

The important thing now is to waste no time in launching projects that should be launched. War is not going to break out, so there is no need to fear it and no problem of risk. We have been worried about the possibility of war and have had to be on the alert every year. I think we overdid it. I don't think there will be war for at least the next ten years.

It is right to establish economic cooperation between developed and less developed areas. In my view, such an arrangement should not be confined to Shanghai and Shanxi Province. Nor should we remain locked in an experimental stage. If we always make pilot studies on specific problems, taking several years to resolve just a few of them, progress will be too slow. During the War of Liberation [1946-1949] Comrade Mao Zedong held that the [Second Field Army](#) and the [Third Field Army](#) should be combined in military operations. He said that combining the two field armies would multiply their strength not just by two but several times over. The same is true of economic cooperation. Even though we have yet to resolve many differences of views on this question, we should start to move on it right now.

In short, we must be absolutely clear about what we have to do. There is too much talk and not enough action.

It is very important to tap intellectual resources. In this I include training for workers and managers, which should receive more attention. In the next few years universities and colleges should be expanded -- by 50, if not 100, per cent. This is well within our capacity. It would not be hard to double enrolments in key universities and colleges, and there is no lack of teachers. The main problem is housing. I think we can afford to spend a little more on college buildings and dormitories. We should calculate how much it would cost.

While there is an overall shortage of intellectuals, in some places young and middle-aged intellectuals are finding it difficult to play a useful role. We must resolve to implement the policy towards intellectuals, which includes improving their living standards. The film [A Middle-Aged Doctor](#) is worth seeing. We old comrades can learn a lot from it. It will do us good.

(Made in Beijing to leading members of the Central Committee of the Communist Party of China.)

**WE ARE BUILDING A SOCIALIST SOCIETY WITH
BOTH HIGH MATERIAL STANDARDS
AND HIGH CULTURAL AND
ETHICAL STANDARDS**

April 29, 1983

The Communists in any country should decide for themselves what road to take for revolution, because people in other countries are not familiar with the circumstances there. If foreigners presume to give orders, they will make mistakes. Why were we able to achieve victory in the Chinese revolution? Because the Chinese Communists led by Comrade Mao Zedong thought independently and, by integrating the universal principles of Marxism-Leninism with specific Chinese conditions, found the revolutionary road, forms and methods suited to China. Similarly, the victory of the October Revolution was a product of Lenin's integration of the principles of Marxism with Russian revolutionary practice. So if the Communists in a particular country want to make a successful revolution, the fundamental lesson is that they must find their own road in light of the conditions in that country.

No big or veteran party can pose as the supreme arbiter. During the period when Stalin was in power, the Chinese Communist Party did not follow his advice in dealing with certain crucial questions, and because it did not, it led the revolution to victory. Of course, I don't mean that we need not draw on the experience of other countries. The Communists of any party will inevitably make mistakes, but when they do, they should

analyse their experience and solve their problems by themselves. That is the only reliable approach.

The line we are following was formulated at the Third Plenary Session of the Eleventh Central Committee of the CPC and affirmed at the Twelfth National Party Congress. Since the Third Plenary Session more than four years' practice has shown that this line is correct. Of course, we should continue to test its correctness in practice. Practice is the sole criterion for judging truth and the correctness of the Party's line, principles and policies.

In a socialist country, a genuinely Marxist ruling party must devote itself to developing the productive forces and, on that basis, gradually raise the people's living standards. This means building a society with high material standards. For a long time we neglected to develop the productive forces, so now we are paying special attention to attaining high material standards. At the same time, we are building a socialist society with high cultural and ethical standards, which essentially means that our people should have communist ideals, moral integrity, a good education and a strong sense of discipline. Internationalism and patriotism also belong to this realm.

(Excerpt from a talk with a delegation from the Central Committee of the Communist Party of India (Marxist).)

WE ARE ON THE RIGHT TRACK AND OUR POLICIES WILL NOT CHANGE

June 18, 1983

The modernization we are striving for is modernization of a Chinese type. The socialism we are building is a socialism with Chinese characteristics. This is because we are acting according to our own concrete realities and conditions and mainly relying on ourselves.

Now that we are on the right track, our people are happy and we are confident. Our policies will not change. Or if they do, it will be only for the better. And our policy of opening to the outside world will only expand. The path will not become narrower and narrower but wider and wider. We have suffered too much from taking a narrow path. If we turned back, where would we be headed? We would only be returning to backwardness and poverty.

The policy of abandoning the practice of having everybody "eat from the same big pot" will not change either. Industry has its distinctive characteristics, and so does agriculture; the experience in one can't be applied to the other. But the "responsibility system" of determining remuneration according to output remains our basic policy -- of that you can be sure.

(Excerpt from a talk with foreign experts attending a Symposium on Science and Technology Policies in Beijing.)

**AN IDEA FOR THE PEACEFUL REUNIFICATION
OF THE CHINESE MAINLAND
AND TAIWAN**

June 26, 1983

The most important issue is the reunification of the motherland. Peaceful reunification has become the common aim of the Kuomintang and the Communist Party. The idea is not that one party should swallow up the other. We hope the two Parties will work together for national reunification and both contribute to the Chinese nation.

We do not approve of "complete autonomy" for Taiwan. There must be limits to autonomy, and where there are limits, nothing can be complete. "Complete autonomy" means two Chinas, not one. Different systems may be practised, but it must be the People's Republic of China alone that represents China internationally. We recognize that the local government of Taiwan may have its own separate set of policies for domestic affairs. And although, as a special administrative region, Taiwan will have a local government, it will differ from local governments of other provinces, municipalities and autonomous regions. Provided the national interests are not impaired, it will enjoy certain powers of its own that the others do not possess.

After reunification with the motherland, the Taiwan special administrative region will assume a unique character and may practise a social system different from that of the mainland. It will enjoy independent judicial power, and there will be no need to go to Beijing for final adjudication. What is more, it may maintain its own army, provided it does not threaten the mainland. The mainland will not station anyone in Taiwan. Neither troops nor administrative personnel will go there. The party, governmental and military systems of Taiwan will be administered by the Taiwan authorities themselves. A number of posts in the Central Government will be made available to Taiwan.

Peaceful reunification does not mean that the mainland will swallow up Taiwan. Needless to say, it doesn't mean that Taiwan will swallow up the mainland either. It is unrealistic to call for "reunification of China under the [Three People's Principles](#)".

Reunification must be brought about in a proper way. That is why we propose holding talks between the two Parties on an equal footing to achieve a third round of Kuomintang-Communist cooperation, rather than talks between the central and local governments. Once the two sides have reached an agreement, it can be formally proclaimed. But under no circumstances will we allow any foreign country to interfere. Foreign interference would simply mean China is still not independent, and that would lead to no end of trouble.

We hope that the Taiwan authorities will consider carefully the [nine principles proposed by Ye Jianying](#) in September 1981 and [Deng Yingchao's opening address at the First Plenary Session](#) of the Sixth People's Political Consultative Conference in June 1983 and that they will clear up their misunderstanding.

In March of this year you held a forum in San Francisco on the prospects for China's reunification. That was a very good thing to do.

We shall complete the unfinished task of reunification left to us by our predecessors. If the KMT and the CPC can join efforts to complete it, [Chiang Kai-shek](#) and his son will have a better place in history. Of course, it takes time to bring about peaceful reunification. But it would not be true to say that we are in no hurry. People like us, who are advanced in years, wish to see reunification as soon as possible. We should have more contacts to enhance mutual understanding. We are ready to send people to Taiwan at any time, just to look around without any formal talks. And they are welcome to send people over here. Personal safety would be guaranteed and the whole thing would be kept confidential. We say all this in good faith. We do not play petty games.

We have achieved genuine stability and unity. Our principle of peaceful reunification of the motherland was formulated after the Third Plenary Session of the Party's Eleventh Central Committee. Related policies have been gradually defined. We shall adhere to them.

There has been some improvement in Sino-U.S. relations recently. However, those in power in the United States have never given up their "two Chinas" or "one-and-a-half Chinas" policy. The United States brags about its political system. But politicians there say one thing during a presidential election, another after taking office, another at mid-term elections and still another with the approach of the next presidential election. Yet the United States says that our policies lack stability. Compared with its policies, ours are very stable indeed.

(Excerpt from a talk with Professor Winston L. Y. Yang of Seton Hall University, South Orange, New Jersey, USA.)

**USE THE INTELLECTUAL RESOURCES OF OTHER
COUNTRIES AND OPEN WIDER TO
THE OUTSIDE WORLD**

July 8, 1983

We should make use of the intellectual resources of other countries by inviting foreigners to participate in key development projects and other construction projects in various fields. We haven't recognized how important this is, and consequently we haven't done as much as we should have. In the matter of modernization we have neither experience nor technical knowhow. We should not be reluctant to spend money on recruiting foreigners.

It doesn't matter whether they stay here for a long time or a short time, or just for a single project. Once they are here, we should make the best use of their skills. We have been giving them too many banquets and have been too hesitant about asking for their help and advice, when in fact they have been quite willing to assist us in our work.

We should open our country wider to the outside world. Now that the West European countries are beset with economic difficulties, we should lose no time in seeking their cooperation, so as to speed up our technological transformation. We should do the same with the East European countries, because some of their techniques are more advanced than ours and some of ours are needed by them. China provides a huge market, so many countries wish to develop cooperation or do business with us. We should seize this opportunity. It is a matter of strategic importance.

(Excerpt from a talk with leading members of the Central Committee of the Communist Party of China.)

CRACK DOWN ON CRIME

July 19, 1983

The number of crimes, including serious ones, has increased substantially, and the people are very disturbed about it. Over the past few years, far from being checked, the tendency has grown. Why is that? Chiefly because we have hesitated to take prompt and stern action to combat criminals and have given them very light sentences. This is true of both economic crimes and violent crimes such as robbery and murder.

Why not organize a relentless campaign against crime -- or two or three campaigns? Every large or medium-sized city should organize several such campaigns over the next three years. Take Beijing for example. It should not be difficult to find out the exact number of criminal gangs in Beijing and who belongs to them. Just as Comrade [Peng Zhen](#) said not long ago, we should conduct some investigations with the advice of veteran policemen, and then we shall be able to organize campaigns. In every campaign we should crack down on a large number of criminals. We have decided not to launch any more political movements, but if we are going to combat serious crime on a large scale, we must mobilize the masses. If we mobilize all the people in a city to participate in our campaigns, it will educate them and help save a lot of them, including many young people. It is true that if the masses are mobilized, there will be so much publicity that the criminals will be alerted and some may escape. But that doesn't matter, because we can round them up in our second campaign.

Recently in some cities a number of criminals have been arrested, and the situation there has improved. Of course, this may not last long. The criminals still at large are waiting to see what we are going to do next. If we are still weak and fail to deal severely with the ones who have been arrested, the evildoers will be emboldened again.

Serious offenders, including, for example, murderers, robbers, members of criminal gangs, instigators of crime, habitual criminals who continue to pass on their criminal skills to others while being reformed or educated through labour, traders in human beings and proprietors of brothels, should be arrested and prosecuted without fail, reformed through labour or severely punished according to law. A number of criminals should be executed according to law, and some others should be put behind bars for a long time. We should keep cracking down on criminals, arresting them whenever they surface. Otherwise, they will have nothing to fear, and 10 or 20 years from now the problem will still not have been solved. When we were handling problems in railway work in 1975, I proposed that the factionalists should not be arrested at the moment but transferred to other posts. The Gang of Four did not agree with me. I said that all faction leaders should be transferred and that if new ones appeared, they should be transferred too. If we transferred one every day, that would make 365 a year. When my words were acted upon at lower levels, order was immediately restored on the railways. If we want to solve problems like that, that's what we have to do.

Combating crime will be a long-term struggle and require the efforts of people in all fields. Since the current situation is unusual, we have to strike hard, fast and according to law. The only way to stop crime is to be tough about it. If we go easy, we'll lose the support of the people. This is what we mean by strengthening the people's democratic dictatorship. So far as humanitarianism is concerned, since we are protecting the safety of the overwhelming majority of the people, we are humanitarian in the true sense of the word! The people will be highly gratified to see us vigorously combat crime. We should begin with Beijing and then go on to Shanghai, Tianjin and other cities. If we keep fighting crime, the situation will surely improve.

(Excerpt from a talk with leading members of the Ministry of Public Security.)

MESSAGE WRITTEN FOR JINGSHAN SCHOOL

October 1, 1983

Education should be geared to the needs of modernization, of the world and of the future.

(A nine-year school in Beijing.)

THE PARTY'S URGENT TASKS ON THE ORGANIZATIONAL AND IDEOLOGICAL FRONTS

October 12, 1983

The major question before this plenary session of the Central Committee has been the rectification of Party organizations. The [Central Committee's decision on this question](#)

[has been adopted after deliberation by all present.](#) That decision is a very good one, and I fully agree with it. After the session we shall discuss the Party's leadership on the ideological front. At this time, however, I should like to make two points: the rectification movement must not be conducted in a perfunctory way, and people working in the ideological field must not spread mental pollution.

Now, the first point: the rectification movement must not be conducted in a perfunctory way.

Since the Third Plenary Session of the Eleventh Central Committee, our Party has reestablished Marxist ideological, political and organizational lines and formulated correct policies that are suited to actual conditions. Thus, excellent results have been achieved, new prospects are being opened up in every field of work and the masses have supported our Party's line and leadership. In the course of realizing this historic change, the Party members have repeatedly withstood the test of major struggles, and most of them have proved to be good, capable people, resourceful and ready to fight.

However, we are far from satisfied with the present state of affairs in the Party. There are still quite a few serious problems that we haven't had time to analyse and solve. Some negative things have been left over from the ten years of domestic chaos, and others have appeared and grown under the new historical conditions. The decision on rectification lists "[three types of people](#)". It also mentions persons who have committed serious economic or other crimes, those who have abused power for private gain, those who have seriously impaired the Party's relations with the masses, those who have been at odds with the Party politically all along and have merely pretended to be in agreement with it, and so forth. All these people are dangerous, corrupt elements, representing serious defects in the Party's ideology, style of work, and organization.

The most dangerous are the first three types. Some of them have been identified and dealt with, and others have corrected their ideology and conduct. But a certain number have simply lain low in the Party without ever renouncing their former stand. They are exceedingly dangerous for several reasons. First, they cling to their old factional mentality and are politically subversive, agitating against the Party. Second, they are cunning and deceitful; when the times are against them, they conceal their ideas to win other people's confidence; then, when the situation changes in their favour, they will come forth to stir up trouble and fan the flames of unrest. Third, they have moved to different parts of the country and hidden out there, still maintaining their clandestine factional ties. And fourth, they are relatively young and well educated. After their downfall some of these people threatened to settle accounts ten or twenty years later. In short, they are a political force with unscrupulous ambition and must on no account be taken lightly. They are walking time-bombs, and unless they are detected and defused during the rectification movement, they will destroy us.

It goes without saying that the other types of people listed are also dangerous and will be the ruin of us unless we deal with them now.

Many of our veteran Party members are deeply worried about this situation, and other people both inside and outside the Party are likewise concerned and indignant about it. Our entire membership and the people of all our nationalities are in favour of the decision made by the Twelfth National Party Congress to conduct Party-wide rectification, and they expect a great deal from the movement. Our Party must therefore be determined to carry it out thoroughly and conscientiously. We must see to it that we solve these serious problems and don't just go through the motions. We cannot let our Party comrades and the entire people down.

It was absolutely right for us to do everything possible to correct the "Left" mistakes made during the "cultural revolution" and during previous political campaigns and ideological struggles. We shall never allow such mistakes to be repeated. However, quite a few comrades have made only a one-sided analysis of the historical lessons. They regard any mention of ideological struggle or of stern measures to be taken against people as a "Left" mistake and are only interested in combating "Left" mistakes and not Right ones. This leads to the other extreme, weakness and laxity. In waging ideological struggle against negative tendencies, persons and acts and in meting out organizational sanctions, Party people have tended in recent years to be a little too tolerant, hesitant, tender-hearted and ready to gloss things over to avoid trouble. Consequently, Party discipline has been lax that some bad people have been shielded.

Not long ago, concentrated efforts were made throughout the country to crack down swiftly on serious crime and to deal with offenders severely in accordance with the law. The people have been gratified by this and have given their warm support. They had been worried that if criminals were dealt with leniently and released like tigers sent back to the mountains, they might come back to avenge themselves. The people complained that we ought to have taken action earlier and criticized us for having waited so long. We should pay close attention to this reaction. Two years ago I pointed out that many leaders at various levels were weak and lax, as was shown by their tender-heartedness in dealing with persons guilty of grave criminal offences. They should draw a lesson from this reaction on the people's part and resolutely overcome their weakness and laxity. During the rectification movement, firm disciplinary measures must be taken against the three types of people mentioned earlier and against those who have made serious mistakes and caused great damage. Some of them should be expelled from the Party, others should be removed from office or subjected to other sanctions, as the case may be, and those who have committed crimes should be dealt with according to law. People who have made less serious mistakes should be severely criticized and should themselves make genuine, not superficial, self-criticisms and pledge to correct their failings. This will be one of the most important demonstrations that rectification is not being conducted in a perfunctory way.

During the rectification movement only a few Party members will be subjected to organizational sanctions. For the majority it will be only a matter of strengthening their Party spirit through ideological education. The purposes of the movement are to help the members make significant moral, ideological and political progress, to raise their awareness of the need to serve the people rather than to seek private gain, and to greatly

improve relations between the Party and the masses. After the movement there should be regular criticism and self-criticism within the Party. All Party members, no matter who they are or what posts they hold, should be prepared to criticize others and themselves. The rectification movement should serve to consolidate Party organizations and bring about a fundamental improvement in the Party's style of work. All Party members, cadres and organizations will be required to examine themselves in light of the qualifications set forth in the Party Constitution, to work out plans, in accordance with their own specific conditions, for meeting them, and to make sure that those plans are carried out. Leading cadres at various levels, and senior cadres in particular, should set an example by strictly abiding by the Constitution and the "Guiding Principles for Inner-Party Political Life". This will be another important demonstration that the rectification movement is not being conducted in a perfunctory way.

In short, we must make a success of the current rectification movement, so that our Party will become 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. With the firm resolve of our members, we shall surely accomplish this.

Now I come to my second point: people working in the ideological field must not spread mental pollution.

The ideological field covers a broad area, but I shall chiefly discuss theoretical work and literature and art. The past few years have witnessed great successes in these two fields. Our theorists have contributed a great deal by studying, expounding and publicizing the theory that [practice is the sole criterion for testing truth](#), the [scientific analysis of the Party's history](#), especially in the period since the founding of the People's Republic, and the need to build socialism with Chinese characteristics, to reform the economic and political structures, build a socialist society advanced in ethics and culture and to educate people in communism and patriotism. Many comrades in other academic fields have also been working hard and have made useful contributions. Our literature and art have never been so flourishing, and marked progress has been made in artistic expression and in the depiction of reality in all its breadth and depth. Excellent novels, pieces of reportage, films, television dramas, plays, operas, poems, musical compositions, paintings, dances and works of folk art have been produced. In this field, achievements have been predominant. There is no doubt about that, and it must be affirmed.

However, there are quite a few problems and much confusion among our theorists, writers and artists; in particular, some of them have spread mental pollution. So today I wish to discuss this question at some length.

All our workers fighting on the ideological front should serve as "engineers of the soul". In the effort to build a socialist society that is ideologically and culturally advanced and to promote the socialist cause as a whole, and particularly during the present period of change, they are charged with the heavy responsibility of educating people. The aftermath of the ten years of domestic turmoil, the difficulties left over from the past and

the complicated problems that have arisen under the new circumstances have affected people's thinking and have resulted in some confusion and misunderstanding. As "engineers of the soul", our ideological workers should hold aloft the banner of Marxism and socialism. They should use their articles, literary works, lectures, speeches and performances to educate people, teaching them to assess the past correctly, to understand the present and to have firm faith in socialism and in leadership by the Party. They should inspire the people to work hard, to set high goals for themselves, to have lofty ideals and moral integrity, to raise their educational level, to cultivate their sense of discipline and to strive courageously for the magnificent cause of socialist modernization. This is what most ideological workers have been doing, to one degree or another. But some, flying in the face of the requirements of the times and of our people, are polluting people's minds with unwholesome ideas, works and performances. In essence, mental pollution means the spread of the corrupt and decadent ideas of the bourgeoisie and other exploiting classes and the spread of distrust of socialism, communism and leadership by the Communist Party. The year before last the Central Committee convened a forum on problems in the ideological field, at which certain tendencies towards bourgeois liberalization and towards weakness and laxity in leadership were criticized. Some results were achieved after that forum, but not all the problems were solved. In some places leadership remained weak and lax, not all tendencies towards bourgeois liberalization were overcome, and some even grew worse.

A number of theorists are indifferent to the major theoretical questions raised by socialist modernization. They are reluctant to study actual problems because, they say, they want to keep a distance from reality so as to avoid making mistakes, or because they think work of that sort is of no academic value. It is true that in the study of current problems some comrades have deviated from the Marxist orientation. They have only been interested in discussing humanism, the value of the human being, and alienation and in criticizing socialism, not capitalism. Of course, humanism may and should be studied and discussed as a theoretical and ethical question. But there are a thousand and one definitions of humanism. What we should do is make a Marxist analysis of it, disseminate and practise socialist humanism (which we used to call "revolutionary humanitarianism" during the years of revolution) and criticize bourgeois humanism. Members of the bourgeoisie often boast how humane they are and attack socialism as inhumane. I am amazed to find that some of our Party comrades are preaching humanism, the value of the human being and so forth in abstract terms. They don't understand that neither in capitalist society nor in socialist society can there be an abstract value of the human being or abstract humanism, because even in our society there are still bad people, dregs of both the old and new societies, enemies of socialism and spies sent by other countries and Taiwan. Furthermore, the standard of living and the level of education of our people are not high, and discussion of the value of the human being or of humanism isn't going to raise them. Only active efforts to achieve material and ethical progress can do that. Discussion of human beings apart from these specific conditions and tasks is discussion not of real human beings but of abstractions; this is not a Marxist approach, and it will lead young people astray.

As to alienation, after Marx discovered the law of surplus value, he used that term only to describe wage labour in capitalist society, meaning that such labour was alien to the workers themselves and was performed against their will, so that the capitalist might profit at their expense. Yet in discussing alienation some of our comrades go beyond capitalism; some even ignore the remaining alienation of labour under capitalism and its consequences. Rather, they allege that alienation exists under socialism and can be found in the economic, political and ideological realms, that in the course of its development socialism constantly gives rise to a force of alienation, as a result of the activities of the main body of the society. Moreover, they try to explain our reform from the point of view of overcoming this alienation. Thus they cannot help people to correctly understand and solve the problems that have arisen in socialist society today, or to correctly understand and carry out the continual reform that is essential for our technological and social advance. On the contrary, their position will only lead people to criticize, doubt and negate socialism, to consider it as hopeless as capitalism and to renounce their confidence in the future of socialism and communism. "So what's the point of building socialism?" they say.

Marxist theory will advance and so will socialist theory; they will both advance as social practice and science advance. These comrades, however, are not advancing in their thinking but going backwards, back to pre-Marxist times. This confusion about humanism and the theory of alienation is a very serious problem among people working in the ideological sphere. And there are quite a few other problems of the same order. For instance, some people preach abstract democracy, even advocating free expression of counter-revolutionary views. They set democracy in opposition to Party leadership, put forward anti-Marxist arguments on the questions of Party spirit and service to the people, and so on. Even today there are still comrades who have doubts about the need to uphold the [Four Cardinal Principles](#). For a while not long ago a few comrades doubted that our society was really socialist, that we should or could have a socialist system, and even that our Party was the party of the proletariat. Others argued that since we were still at the socialist stage it was only natural and correct for people to "put money above all else". Things came to such a pass that most of these mistaken ideas were published in newspapers and periodicals, and some have still not been clarified. All this goes to show the extent of ideological confusion that has existed among theoretical workers.

So far as literature and art are concerned, it is gratifying that in recent years there have been more works depicting our new life as we strive to build socialism. There have been a number of pieces of reportage that awaken a revolutionary spirit, especially in young people, encouraging them to dedicate themselves to construction and struggle in every field, pieces that are very inspiring. There have been some inspiring works in other literary forms as well, but altogether there are not many. Some writers and artists have become indifferent to the socialist orientation and to the Central Committee's call for literature and art that serve the people and socialism. They are not interested in portraying and extolling the revolutionary history of the Party and the people and their heroic deeds in the struggle for socialist modernization. They do not proceed from the Party's revolutionary stand and try to help people understand the problems that have to be solved in building socialism, to inspire their enthusiasm and to strengthen their confidence.

Instead, they make a point of writing about the dark side of life, they spread pessimism and sometimes even concoct stories to distort the revolutionary past and present. Others loudly praise the "modern" schools of thought of the West, declaring that the supreme goal of literature and art is "self-expression", propagating the notions of abstract human nature and humanism and maintaining that man's alienation under socialist conditions should be the theme of creative works. A few produce pornography. Although there are not many of these negative works, their influence on some young people cannot be ignored. Many writers and artists have neglected to study Marxism and held aloof from the people's struggle to build a new life, and some Party members have been reluctant to take part in Party activities. It is chiefly for these reasons that the negative phenomena have emerged.

The bad practice of putting money above all else has been spreading in literary and art circles. Some members of theatre troupes from the grass roots to the central level run around giving cheap performances and even staging low, vulgar shows just to make money. Most regrettably, certain famous actors and actresses, including some from the PLA troupes, have been swept up in this trend. It stands to reason that people are indignant about those persons who are interested only in catering to the bad taste of some audiences and who thereby sacrifice the honourable title of socialist writers and artists. And this tendency to regard money as the only important thing, to commercialize intellectual products, is manifested in other creative fields as well. Some who occupy positions in the fields of art and publishing or in departments in charge of cultural and historical relics have simply degenerated into merchants intent on nothing but profit.

What attitude should we take towards the bourgeois culture of the modern West? It is right for us to carry out the economic policy of opening to the outside world, and we must adhere to it for a long time to come. We must also continue to expand our cultural exchanges with other countries. With regard to economic exchanges, however, we are following a dual policy: we keep our doors open, but we are selective, we don't introduce anything without a purpose and a plan, and we firmly combat all corrupting bourgeois influences. Why is it, then, that when it comes to cultural exchanges, we have allowed harmful elements of bourgeois culture to be introduced without impediment? If we want to learn from developed capitalist countries and take advantage of such advances in science, technology, management and other areas as may be useful to us, it would be foolish to keep our doors closed and persist in the same old ways. But in learning things in the cultural realm, we must adopt a Marxist approach, analysing them, distinguishing the good from the bad and making a critical judgement about their ideological content and artistic form. There are quite a few honest, progressive scholars, writers and artists in the West today who are producing serious and valuable works, which of course we should introduce into China. But some of our comrades rush to praise to the skies all trends in the philosophy, economics, social and political thinking, literature and art of the West, without analysing them, distinguishing the good from the bad or exercising any critical judgement. There has been such confusion in the importing of Western academic and cultural things that in recent years we have witnessed an influx of books, films, music, dances, and audio and video recordings that even in Western countries are

regarded as pernicious junk. This corruption of our young people by the decadent bourgeois culture of the West is no longer tolerable.

It must be pointed out that the majority of our theorists, writers and artists are good or relatively good; only a few are guilty of spreading mental pollution. The problem is that the mistakes of those few have not been severely criticized and that necessary measures have not been taken to put a stop to their harmful actions and to the dissemination of their wrong ideas. Mental pollution can be so damaging as to bring disaster upon the country and the people. It blurs the distinction between right and wrong, leads to passivity, laxity and disunity, corrupts the mind and erodes the will. It encourages the spread of all kinds of individualism and causes people to doubt or even to reject socialism and the Party's leadership. The Four Cardinal Principles boil down to upholding socialism and upholding leadership by the Party. These two principles are the basis for building our country and uniting all our people in a common struggle. Of course, we should not attribute all negative phenomena -- bad practices, criminal behaviour and the anti-socialist activities of a few -- to ideological confusion, because there are many other reasons for them. However, we must not underestimate the impact of such confusion.

Don't we all agree that practice is the sole criterion for testing truth? The comrades concerned should look at the influence and effect that their wrong words, pernicious writings and cheap performances have on young people and others. Our honest, sympathetic foreign friends are worried about these things. Of course there are also people -- on the mainland, in Taiwan and Hong Kong and abroad -- who applaud them. I should like to give the comrades concerned a bit of advice: when you are showered with praise, stop to think who it is that is applauding you, from what viewpoint and for what purpose, and put your work to the test of practice too. Don't think that a little mental pollution doesn't matter much, that it's nothing to be alarmed at. Some of its ill effects may not be immediately apparent. But unless we take them seriously and adopt firm measures right now to prevent their spread, many people will fall prey to them and be led astray, with grave consequences. In the long run, this question will determine what kind of people will succeed us to carry on the cause and what the future of the Party and state will be.

The Party must strengthen its ideological leadership. The guiding principles laid down since the Third Plenary Session of the Eleventh Central Committee, and particularly at the Twelfth National Congress, are correct and clear-cut. The problem is that they have not been resolutely put into practice. Leading members of Party committees from the central to the local level must pay close attention to the situation among theorists, writers and artists, to the problems that have arisen in ideological work and to the way such work is done. First and foremost, they should recognize the seriousness of the problems and the urgent need to overcome weakness and laxity in leadership in this area. Some comrades are indifferent to mental pollution, they take a laissez-faire attitude towards it and even consider it something lively and colourful, an embodiment of the policy of letting a hundred flowers blossom, a hundred schools of thought contend. Others, knowing that it is wrong, are nevertheless reluctant to criticize it, because they are afraid of hurting people's feelings. This cannot go on. Just as we must take a serious and resolute attitude

towards bad tendencies, persons and practices during the Party's rectification movement, so must we take the same attitude towards negative phenomena that give rise to ideological confusion and mental pollution. We must not stop half-way.

The chief method for dealing with this confusion remains criticism and self-criticism. We must acknowledge that while our theorists, artists and writers have made a Marxist criticism of some negative tendencies, it has not yielded tangible results. For one thing, the criticism was insufficient in both quantity and quality, and for another, it met with substantial resistance. Inadequate as it was, it was often rejected as "an attack from all sides" or "coming down on people with a big stick", when in fact it was the critics who were attacked and the criticized who won sympathy and protection. This abnormal situation must change, so that propaganda in favour of socialism and communism will be truly predominant in the ideological sphere, along with the dissemination of Marxism and, in particular, of correct views on all major theoretical questions of principle. There are people who call their wrong views Marxist and others who challenge Marxism.

Under these circumstances, Marxists should step forward and speak up. Party members working on the ideological front, particularly leading and influential ones, must stand in the forefront of the struggle. Those who have been mistaken themselves should make genuine self-criticisms and try to correct their thinking. No one who clings to his mistaken views and refuses to correct them can hold a leading position in ideological work. Party members should strengthen their Party spirit and always abide by the Party Constitution and Party discipline. No matter whether they are scholars, writers, artists or specialists in any field, they are not allowed to consider themselves different from everyone else, wiser than the Party in political matters and free to do as they see fit. In the current rectification movement the most important task for Party organizations and members doing ideological work is to resolve these questions. Provided we make real efforts to reinforce Marxist leadership, to overcome weakness, laxity and the laissez-faire attitude and to wage active ideological struggle, all these problems can be readily solved.

When we try to do these things, people may wonder if the Party has changed its principles, if it has abandoned the policy of letting a hundred flowers blossom and a hundred schools of thought contend. The Party has not changed its principles, and it has not abandoned the "hundred flowers" policy. To place criticism in contradiction to that policy is a gross misunderstanding or distortion. The policy is designed to enable socialist culture to flourish. Comrade Mao Zedong once said, "[Truth develops through its struggle against falsehood](#)". This is how Marxism develops." Some people took the "hundred flowers" policy to mean that there was absolute freedom to air any views, or even that only wrong views could be expressed, leaving no room for Marxist arguments. How can that be called letting a hundred schools of thought contend? They were turning the proletarian Marxist policy of the "hundred flowers" into a bourgeois policy of laissez-faire. Comrade Mao Zedong's *Combat Liberalism* is a good Marxist essay. I suggest that leading comrades at all levels, especially those working in the field of ideology, study it conscientiously and act accordingly.

While stressing the need for active ideological struggle, we should continue to guard against ``Left" mistakes. The ruthless methods used in the past -- the over-simplified, one-sided, crude, excessive criticism and merciless attacks -- must never be repeated. When speaking at meetings or writing articles, people should reason things out and analyse them rationally and scientifically. Those who are to take part in discussion or criticism should have clear ideas on the subject beforehand. They must on no account make sweeping criticisms, find something suspicious everywhere they look, use a position of power to intimidate others or try to convince them through sophistry. We should take a sympathetic attitude towards erring comrades, give them plenty of time for consideration and allow them to make reasonable reply, explaining the facts and clarifying their positions. We should particularly encourage sincere self-criticism and receive it warmly. It is good for a person to make such a self-criticism, and once he has done so, that should be the end of it. When criticizing either others or oneself, one should do it from a Marxist point of view, not from a ``Left" point of view. We should continue to criticize and correct ``Left" views in the ideological and theoretical sphere. But it should be clearly understood that the primary problem on the ideological front is to overcome the Right tendency to weakness and laxity.

In short, strengthening Party leadership in ideological matters and overcoming weakness and laxity has become urgent tasks for the entire membership. Not only theorists, writers and artists but also people working in the fields of education, the press, publishing, radio and television and those doing cultural, ideological and political work among the masses are confronted with these tasks and others that call for immediate action. All our ideological work has to be improved. We should put this question before the entire Party membership and give it an important place on the agenda of the Central Committee and of local Party committees at all levels. 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 favour of economic work. Party committees at all levels, and especially their leading members, must pay close attention to the situation on the ideological front, make a thorough study of the problems and adopt effective measures to improve work in this area. I suggest that the Political Bureau or the Secretariat of the Central Committee hold special discussions of that work, concentrating on principles, tasks, measures and so forth. I am convinced that if all our members recognize the importance of ideological work and give it their best efforts, and if at the same time we carry out the Party-wide rectification movement, a tremendous change will take place. A new situation will emerge in which socialist ideology and culture will flourish.

(Speech at the Second Plenary Session of the Twelfth Central Committee of the Communist Party of China.)

A NEW APPROACH TO STABILIZING THE WORLD SITUATION

February 22, 1984

There are many disputes in the world, and we must find ways to solve them. Over the years I have been considering how those disputes could be solved by peaceful means, rather than by war. The plan we have proposed for reunifying the mainland with Taiwan is fair and reasonable. After reunification, Taiwan can go on practising capitalism while the mainland maintains socialism, all within the same unified China. One China, two systems. The same approach will be applied to the Hong Kong question -- one China, two systems. But Hong Kong is different from Taiwan in that it is a free port.

I think this is a sensible solution to many similar disputes in the world. If opposing sides are locked in stalemate, sooner or later they will come to conflict, even armed conflict. If war is to be averted, the only alternative is an approach like the one I have just mentioned, an approach the people will accept. It can help stabilize the situation, and for a long time too, and is harmful to neither side. Since you specialize in international issues, I hope you will have a better understanding of our proposal for the solution of the Hong Kong and Taiwan questions and make a study of it. Anyhow, we must find a way out of this impasse.

I have also considered the possibility of resolving certain territorial disputes by having the countries concerned jointly develop the disputed areas before discussing the question of sovereignty. New approaches should be sought to solve such problems according to realities.

I am just talking offhand about what has been on my mind. Is it possible to find new solutions for the many problems that cannot be solved by old ones? New problems should be solved by new means. Some of my remarks may not be precise or thoughtful enough. But we must rack our brains to find ways to stabilize the world situation. I have stated on many occasions that we Chinese are no less concerned about international peace and stability than are people in other countries. We need at least twenty years of peace to concentrate on our domestic development.

(Excerpt from a talk with a delegation from the Center for Strategic and International Studies of Georgetown University in Washington, D.C.)

**MAKE A SUCCESS OF SPECIAL ECONOMIC ZONES
AND OPEN MORE CITIES TO
THE OUTSIDE WORLD**

February 24, 1984

I gathered some impressions from my recent tour of three special economic zones in Guangdong and Fujian provinces and of the Baoshan Iron and Steel Complex in Shanghai. Today, I have invited you here to discuss the best ways of running the special economic zones and the question of opening more cities to the outside world.

In establishing special economic zones and implementing an open policy, we must make it clear that our guideline is just that -- to open and not to close.

I was impressed by the prosperity of the Shenzhen Special Economic Zone during my stay there. The pace of construction there is rapid. It doesn't take long to erect a tall building; the workers complete a storey in a couple of days. The construction workers there are from inland cities. Their high efficiency is due to the contracted responsibility system, under which they are paid according to their performance, and to a fair system of rewards and penalties. Construction is particularly fast in the Shekou industrial district, because the authorities there are permitted to make their own spending decisions up to a limit of US\$5 million. Their slogan is "Time is money, efficiency is life."

A special economic zone is a medium for introducing technology, management and knowledge. It is also a window for our foreign policy. Through the special economic zones we can import foreign technology, obtain knowledge and learn management, which is also a kind of knowledge. As the base for our open policy, these zones will not only benefit our economy and train people but enhance our nation's influence in the world. Public order in Shenzhen is reportedly better than before, and people who slipped off to Hong Kong have begun to return. One reason is that there are more job opportunities and people's incomes and living standards are rising, all of which proves that, in the final analysis, ethical progress is based on material progress.

The Xiamen Special Economic Zone is too small. It should be expanded to cover all of Xiamen Island. If this is done, we shall be able to absorb a large amount of investment from overseas Chinese, from Hong Kong and Taiwan and from many foreigners and to stimulate surrounding areas, thus promoting the economic development of all Fujian Province. The Xiamen Special Economic Zone will not be called a free port, although some free-port policies could be implemented there. There are precedents for this. With the free flow of funds, foreign businessmen will invest there. I am sure that this endeavour will not fail and that, on the contrary, it will be very profitable.

In addition to existing special economic zones, we might consider opening more port cities, such as Dalian and Qingdao. We wouldn't call them special economic zones, but policies similar to those in the zones could be pursued there. We should also develop Hainan Island. Rapid economic development there would represent a substantial accomplishment.

Where shall we begin in developing China's economy? A Japanese friend has made two suggestions: first, that we begin with transport and communications, which are the starting points of economic development; second, that we encourage high wages and high consumption. Being in a different situation from other countries, we are not in a position to adopt the second suggestion as our policy nationwide. However, as we develop the coastal areas successfully, we shall be able to increase people's incomes, which accordingly will lead to higher consumption. This is in conformity with the laws of development. We shall allow some areas to become rich first; egalitarianism will not work. This is a cardinal policy, and I hope all of you will give it some thought.

(Excerpt from a talk with a few leading members of the Central Committee of the Communist Party of China after Deng Xiaoping had returned to Beijing from an inspection tour of Guangdong and Fujian provinces, Shanghai and other areas. During his tour he wrote inscriptions in visitors' books for the places he visited. The one he wrote in Shenzhen was, "The development and experience of the Shenzhen Special Economic Zone prove that our policy of establishing such zones is correct." In Zhuhai, he wrote, "The Zhuhai Special Economic Zone is a success." In Xiamen he wrote, "Manage the special economic zones in such a way as to achieve better and faster results." And for the Baoshan Iron and Steel Complex in Shanghai he wrote, "Master new technologies and techniques, be good at learning and better at innovating.")

WE SHOULD TAKE A LONGER-RANGE VIEW IN DEVELOPING SINO-JAPANESE RELATIONS

March 25, 1984

Last year the leaders of our two countries made a wise and far-sighted policy decision in Tokyo: to consider and develop Sino-Japanese relations from a long-term point of view. They decided to develop relations through the 21st century and on into the 22nd and 23rd centuries, so that the people of our two countries will be friends forever. This is something more important than all the other issues between us.

If we take a broader and longer-range view, it will be good for our cooperation. The cooperation benefits not just one side but both, the two countries and their people. We are satisfied with the current level of Sino-Japanese relations, and I think both sides are. But I believe Your Excellency will agree that the development of relations still leaves something to be desired and that the non-governmental economic and technological cooperation between our two countries is still very weak. We should appreciate it if all enterprises in your country -- large, medium-sized and small -- strengthened their cooperation with us. We hope the Japanese government will encourage them to take a longer-range view. China is short of funds, so that it has been unable to develop many of its resources. If they are developed, we shall be able to supply more of Japan's needs. And if Japan invests in China now, it will benefit greatly in future.

China's current situation is generally good. The question that has been on our minds during recent years is whether we shall be able to achieve our objective of quadrupling the annual gross value of industrial and agricultural output by the end of the century. It has been five years since we set that objective. Judging from what we have accomplished during those five years, it is likely that we shall reach it. If, by the end of the century, the annual gross value of industrial and agricultural output is quadrupled, and the average per capita GNP reaches US\$800, then we shall have a society in which people lead a fairly comfortable life. Realizing this society is what we call Chinese-style modernization. Quadrupling production, attaining a fairly comfortable level of life and Chinese-style modernization are all new concepts we have formed.

The annual gross value of industrial and agricultural output is to be quadrupled in two decades. The first decade will be used mainly to prepare for faster development in the second. The preparations cover four fields: energy, communications, raw and semi-finished materials and intellectual resources. These demand huge sums of money, which is something we don't have. So we must keep to the policy of opening to the outside world, and we welcome international investment.

As for my personal experience, I am in the group picture you have seen on exhibition in the Chairman Mao Memorial Hall, which was taken in Paris when I was only 19. I joined the revolutionary ranks at 18, and all I wanted was to make the revolution succeed. I have been through many ordeals. I came back from the Soviet Union in 1927, and at the end of that year I became Secretary-General of the Central Committee of the Chinese Communist Party. I was 23 at the time and didn't have any competence or knowledge to speak of, but I managed. At 25 I led the Bose Uprising in Guangxi and helped establish the [Seventh Army of the Red Army](#). After that I was in the army until the end of the War of Liberation. As for what happened to me after the founding of the People's Republic, you know about that: first I became a high-ranking official and then I had to go ["live in the cowshed"](#).

You asked me what pleased me the most and what saddened me the most. The happiest time in my life was the three years of the War of Liberation. We were poorly equipped then, but we kept winning battles. We won those victories in spite of being weaker and outnumbered. I was also happy about all the achievements we scored after the founding of the People's Republic. There were some mistakes for which I am also to blame, because I was not a junior cadre but a leading cadre -- beginning in 1956, I was General Secretary of the CPC Central Committee. At the time seven portraits were hung everywhere in China as a sign of respect, and mine was one of them. So I was responsible for both the Party's achievements and its mistakes before the "cultural revolution". We should not attribute all the mistakes we made at the time to Chairman Mao. So far as the "cultural revolution" is concerned, that is quite another matter. The saddest period I went through is, of course, the "cultural revolution". As a matter of fact, even though I was in difficult circumstances, I always believed that things would change. A few years ago some foreign friends asked how I was able to survive that period. I told them that it was simply because I was optimistic. That is why I am still in good health. If you are worrying all the time, how can you get through the days? After the downfall of the Gang of Four, I came back to work. I believe that in the seven years since 1977 I have not made any major mistakes. But how well have I done really? Let's leave that question to history!

(Excerpt from a talk with Prime Minister Yasuhiro Nakasone of Japan.)

**WE MUST SAFEGUARD WORLD PEACE AND
ENSURE DOMESTIC DEVELOPMENT**

May 29, 1984

China's foreign policy can be summed up in two sentences. First, to safeguard world peace we oppose hegemony. Second, China will always belong to the Third World. It belongs to the Third World today, and it will do so even when it becomes prosperous and powerful, because it shares a common destiny with all Third World countries. China will never seek hegemony or bully others, but will always side with the Third World.

Among a host of problems in the present-day world, two especially stand out. One is the problem of peace. Now there are nuclear weapons; if war broke out, they could inflict untold losses on mankind. To work for peace one must oppose hegemony and power politics. The other is the North-South problem. It is very pressing at present. The developed countries are getting richer and richer while the developing countries are getting relatively poorer and poorer. If the North-South problem is not solved, it will hinder the development of the world economy. The solution, of course, lies in North-South dialogue, and we support dialogue. But dialogue alone is not enough; cooperation among Third World countries -- in other words, South-South cooperation -- should be stepped up as well. Exchanges, learning from each other and cooperation among these countries can help solve many problems, and prospects are promising. The developed countries should appreciate that greater development of their economies is impossible without growth in the economies of Third World countries.

China's foreign policy is independent and truly non-aligned. We will not play the "United States card" or the "Soviet Union card". Nor will we allow others to play the "China card". The aim of our foreign policy is world peace. Always bearing that aim in mind, we are wholeheartedly devoting ourselves to the modernization programme to develop our country and to build socialism with Chinese characteristics.

China is still poor, with a per capita GNP of only US\$300. We aim to increase this to \$800 by the end of the century, which is a lofty goal. Eight hundred dollars is nothing to developed countries, but it is an ambitious target for China, meaning a GNP of \$1 trillion at the end of the century. By then, China will be able to contribute more to mankind. As China is a socialist country, \$1 trillion will mean a higher standard of living for its people. More important, it will allow us to approach the standard of the developed countries in another 30 to 50 years' time. In short, we sincerely hope that no war will break out and that peace will be long-lasting, so that we can concentrate on the drive to modernize our country.

(Excerpt from a talk with President Joao Baptista de Oliveira Figueiredo of Brazil.)

ONE COUNTRY, TWO SYSTEMS

June 22-23, 1984

The Chinese Government is firm in its position, principles and policies on Hong Kong. We have stated on many occasions that after China resumes the exercise of its sovereignty over Hong Kong in 1997, Hong Kong's current social and economic systems will remain unchanged, its legal system will remain basically unchanged, its way of life and its status as a free port and an international trade and financial centre will remain unchanged and it can continue to maintain or establish economic relations with other countries and regions. We have also stated repeatedly that apart from stationing troops there, Beijing will not assign officials to the government of the Hong Kong Special Administrative Region. This policy too will remain unchanged. We shall station troops there to safeguard our national security, not to interfere in Hong Kong's internal affairs. Our policies with regard to Hong Kong will remain unchanged for 50 years, and we mean this.

We are pursuing a policy of "one country, two systems". More specifically, this means that within the People's Republic of China, the mainland with its one billion people will maintain the socialist system, while Hong Kong and Taiwan continue under the capitalist system. In recent years, China has worked hard to overcome "Left" mistakes and has formulated its policies concerning all fields of endeavour in line with the principle of proceeding from reality and seeking truth from facts. After five and a half years things are beginning to pick up. It is against this background that we have proposed to solve the Hong Kong and Taiwan problems by allowing two systems to coexist in one country.

We have discussed the policy of "one country, two systems" more than once. It has been adopted by the National People's Congress. Some people are worried that it might change. I say it will not. The crux of the matter, the decisive factor, is whether the policy is correct. If it is not, it will change; otherwise it won't. Besides, is there anyone who can change China's current policy of opening to the outside world and invigorating the domestic economy? If it were changed, the living standard of 80 per cent of the Chinese population would decline, and we would lose the people's support. If we are on the right track and enjoy the people's support, the policy will not change.

Our policy towards Hong Kong will remain the same for a long time to come, but this will not affect socialism on the mainland. The main part of China must continue under socialism, but a capitalist system will be allowed to exist in certain areas, such as Hong Kong and Taiwan. Opening a number of cities on the mainland will let in some foreign capital, which will serve as a supplement to the socialist economy and help promote the growth of the socialist productive forces. For example, when foreign capital is invested in Shanghai, it certainly does not mean that the entire city has gone capitalist. The same is true of Shenzhen, where socialism still prevails. The main part of China remains socialist.

The concept of "one country, two systems" has been formulated according to China's realities, and it has attracted international attention. China has not only the Hong Kong problem to tackle but also the Taiwan problem. What is the solution to these problems? As for the second, is it for socialism to swallow up Taiwan, or for the "Three People's Principles" preached by Taiwan to swallow up the mainland? The answer is neither. If the problem cannot be solved by peaceful means, then it must be solved by force. Neither

side would benefit from that. Reunification of the motherland is the aspiration of the whole nation. If it cannot be accomplished in 100 years, it will be in 1,000 years. As I see it, the only solution lies in practising two systems in one country. The world faces the choice between peaceful and non-peaceful means of solving disputes. One way or the other, they must be solved. New problems must be solved by new means. The successful settlement of the Hong Kong question may provide useful elements for the solution of international questions. Has any government in the history of the world ever pursued a policy as generous as China's? Is there anything recorded in the history of capitalism about any Western country doing something similar? When we adopt the policy of "one country, two systems" to resolve the Hong Kong question, we are not acting on impulse or playing tricks but are proceeding from reality and taking into full account the past and present circumstances of Hong Kong.

We should have faith in the Chinese of Hong Kong, who are quite capable of administering their own affairs. The notion that Chinese cannot manage Hong Kong affairs satisfactorily is a leftover from the old colonial mentality. For more than a century after the [Opium War](#), the Chinese people were looked down upon and humiliated by foreigners. But China's image has changed since the founding of the People's Republic. The modern image of China was not created by the government of the late Qing Dynasty, nor by the northern warlords, nor by [Chiang Kai-shek](#) and his son. It is the People's Republic of China that has changed China's image. All Chinese have at the very least a sense of pride in the Chinese nation, no matter what clothes they wear or what political stand they take. The Chinese in Hong Kong share this sense of national pride. They have the ability to run the affairs of Hong Kong well and they should be confident of that. The prosperity of Hong Kong has been achieved mainly by Hong Kong residents, most of whom are Chinese. Chinese are no less intelligent than foreigners and are by no means less talented. It is not true that only foreigners can be good administrators. We Chinese are just as capable. The view that the people of Hong Kong lack self-confidence is not really shared by the people of Hong Kong themselves.

The contents of the Sino-British talks have not yet been made public, so many Hong Kong residents do not know the Central Government's policy. Once they become familiar with it, they will have full confidence in it. Our policy on the settlement of the Hong Kong problem was made known by the Premier of the State Council in his report on the work of the government to the Second Session of the Sixth National People's Congress [held in May 1984], and it was approved by the congress. That shows how serious we are about it. If at this stage people are still worried about whether they can trust us, having no faith in the People's Republic of China and the Chinese Government, what's the point of talking about anything? We are convinced that the people of Hong Kong are capable of running the affairs of Hong Kong well, and we want to see an end to foreign rule. The people of Hong Kong themselves will agree to nothing less.

Some requirements or qualifications should be established with regard to the administration of Hong Kong affairs by the people of Hong Kong. It must be required that patriots form the main body of administrators, that is, of the future government of the Hong Kong special region. Of course it should include other Chinese, too, as well as

foreigners invited to serve as advisers. What is a patriot? A patriot is one who respects the Chinese nation, sincerely supports the motherland's resumption of sovereignty over Hong Kong and wishes not to impair Hong Kong's prosperity and stability. Those who meet these requirements are patriots, whether they believe in capitalism or feudalism or even slavery. We don't demand that they be in favour of China's socialist system; we only ask them to love the motherland and Hong Kong.

There are 13 years left until 1997. We should start working now to gradually bring about a smooth transition. First, major fluctuations or setbacks must be avoided, and the prosperity and stability of Hong Kong must be maintained. Second, conditions must be created for a smooth take-over of the government by Hong Kong residents. I hope that people of all walks of life in Hong Kong will work towards this end.

(Summation of separate talks with members of a Hong Kong industrial and commercial delegation and with Sze-yuen Chung and other prominent Hong Kong figures.)

BUILDING A SOCIALISM WITH A SPECIFICALLY CHINESE CHARACTER

June 30, 1984

Since the defeat of the Gang of Four and the convocation of the Third Plenary Session of the Party's Eleventh Central Committee, we have formulated correct ideological, political and organizational lines and a series of principles and policies. What is the ideological line? To adhere to Marxism and to integrate it with Chinese realities -- in other words, to seek truth from facts, as advocated by Comrade Mao Zedong, and to uphold his basic ideas. It is crucial for us to adhere to Marxism and socialism. For more than a century after the [Opium War](#), China was subjected to aggression and humiliation. It is because the Chinese people embraced Marxism and kept to the road leading from new-democracy to socialism that their revolution was victorious.

You may ask, what if the Chinese people had taken the capitalist road instead? Could they have liberated themselves, and could they have finally stood up? Let us review the history. The Kuomintang followed the capitalist road for more than 20 years, but China was still a semi-colonial, semi-feudal society, which proved that that road led nowhere. In contrast, the Communists, adhering to Marxism and Mao Zedong Thought, which integrates Marxism with actual conditions in China, took their own road and succeeded in the revolution by encircling the cities from the countryside. Conversely, if we had not had faith in Marxism, or if we had not integrated Marxism with Chinese conditions and followed our own road, the revolution would have been a failure, and China would have remained fragmented and dependent. So faith in Marxism was the motive force that enabled us to achieve victory in the revolution.

At the founding of the People's Republic, we inherited from old China a ruined economy with virtually no industry. There was a shortage of grain, inflation was acute and the

economy was in chaos. But we solved the problems of feeding and employing the population, stabilized commodity prices and unified financial and economic work, and the economy rapidly recovered. On this foundation we started large-scale reconstruction. What did we rely on? We relied on Marxism and socialism. Some people ask why we chose socialism. We answer that we had to, because capitalism would get China nowhere. If we had taken the capitalist road, we could not have put an end to the chaos in the country or done away with poverty and backwardness. That is why we have repeatedly declared that we shall adhere to Marxism and keep to the socialist road. But by Marxism we mean Marxism that is integrated with Chinese conditions, and by socialism we mean a socialism that is tailored to Chinese conditions and has a specifically Chinese character.

What is socialism and what is Marxism? We were not quite clear about this in the past. Marxism attaches utmost importance to developing the productive forces. We have said that socialism is the primary stage of communism and that at the advanced stage the principle of from each according to his ability and to each according to his needs will be applied. This calls for highly developed productive forces and an overwhelming abundance of material wealth. Therefore, the fundamental task for the socialist stage is to develop the productive forces. The superiority of the socialist system is demonstrated, in the final analysis, by faster and greater development of those forces than under the capitalist system. As they develop, the people's material and cultural life will constantly improve. One of our shortcomings after the founding of the People's Republic was that we didn't pay enough attention to developing the productive forces. Socialism means eliminating poverty. Pauperism is not socialism, still less communism.

Given that China is still backward, what road can we take to develop the productive forces and raise the people's standard of living? This brings us back to the question of whether to continue on the socialist road or to stop and turn onto the capitalist road. Capitalism can only enrich less than 10 per cent of the Chinese population; it can never enrich the remaining more than 90 per cent. But if we adhere to socialism and apply the principle of distribution to each according to his work, there will not be excessive disparities in wealth. Consequently, no polarization will occur as our productive forces become developed over the next 20 to 30 years.

Our political line is to focus on the modernization programme and on continued development of the productive forces. Nothing short of a world war could tear us away from this line. And even if a world war broke out, we would engage in reconstruction after the war. The minimum target of our modernization programme is to achieve a comparatively comfortable standard of living by the end of the century. I first mentioned this to former Prime Minister [Masayoshi Ohira](#) during his visit here in December 1979. By a comparatively comfortable standard we mean a per capita GNP of US\$800. That is a low level for you, but it is really an ambitious goal for us. China has a population of 1 billion now, and by then it will have reached 1.2 billion. If, when the GNP reaches \$1 trillion, we were to apply the capitalist principle of distribution, most of the people would remain mired in poverty and backwardness. But the socialist principle of distribution can enable all the people to lead a relatively comfortable life. This is why we want to uphold socialism. Without socialism, China can never achieve that goal.

The present world is open. One important reason for China's backwardness after the industrial revolution in Western countries was its closed-door policy. After the founding of the People's Republic we were blockaded by others, so the country remained virtually closed, which created difficulties for us. The experience of the past thirty or so years has demonstrated that a closed-door policy would hinder construction and inhibit development. There could be two kinds of exclusion: one would be directed against other countries; the other would be directed against China itself, with one region or department closing its doors to the others. Both kinds of exclusion would be harmful. We are suggesting that we should develop rapidly, but not too rapidly because that would be unrealistic. To do this, we have to invigorate the domestic economy and open to the outside world.

Proceeding from the realities in China, we must first of all solve the problem of the countryside. Eighty per cent of the population lives in rural areas, and China's stability depends on the stability of those areas. No matter how successful our work is in the cities, it won't mean much without a stable base in the countryside. We therefore began by invigorating the economy and adopting an open policy there, so as to bring the initiative of 80 per cent of the population into full play. We adopted this policy at the end of 1978, and after a few years it has produced the desired results. Now the recent Second Session of the Sixth National People's Congress has decided to shift the focus of reform from the countryside to the cities. The urban reform will include not only industry and commerce but science and technology, education and all other fields of endeavour as well. In short, we shall continue the reform at home and open still wider to the outside world.

We have opened [14 large and medium-sized coastal cities](#). We welcome foreign investment and advanced techniques. Management is also a technique. Will they undermine our socialism? Not likely, because the socialist sector is the mainstay of our economy. Our socialist economic base is so huge that it can absorb tens and hundreds of billions of dollars' worth of foreign funds without being shaken. Foreign investment will doubtless serve as a major supplement in the building of socialism in our country. And as things stand now, that supplement is indispensable. Naturally, some problems will arise in the wake of foreign investment. But its negative impact will be far less significant than the positive use we can make of it to accelerate our development. It may entail a slight risk, but not much.

Well, those are our plans. We shall accumulate new experience and try new solutions as new problems arise. In general, we believe that the course we have chosen, which we call building socialism with Chinese characteristics, is the right one. We have followed this road for five and a half years and have achieved satisfactory results; indeed, the pace of development has so far exceeded our projections. If we go on this way, we shall be able to reach the goal of quadrupling China's GNP by the end of the century. And so I can tell our friends that we are even more confident now.

(Excerpt from a talk with the Japanese delegation to the second session of the Council of Sino-Japanese Non-Governmental Persons.)

**WE SHALL BE PAYING CLOSE ATTENTION TO
DEVELOPMENTS IN HONG KONG DURING
THE TRANSITION PERIOD**

July 31, 1984

The "one country, two systems" concept was not formulated today. It has been in the making for several years now, ever since the Third Plenary Session of our Party's Eleventh Central Committee. The idea was first presented as a means of settling the Taiwan and Hong Kong questions. The socialist system on the mainland, with its population of one billion, will not change, ever. But in view of the history of Hong Kong and Taiwan and of their present conditions, if there is no guarantee that they will continue under the capitalist system, prosperity and stability cannot be maintained, and peaceful reunification of the motherland will be out of the question. Therefore, with regard to Hong Kong, we propose first of all to guarantee that the current capitalist system and way of life will remain unchanged for 50 years after 1997.

To be frank, we shall be paying close attention to developments during the remaining thirteen years of the transition period in Hong Kong. So long as we make proper arrangements for this period, we are not worried about what will happen after 1997. But we hope that certain things will not occur in Hong Kong during the transition.

1. We hope that the position of the Hong Kong dollar will not be shaken. Exactly how many Hong Kong dollars should be issued? At present the currency has good credit, because it is backed by substantial reserves, reserves that exceed the amount of notes issued. This state of affairs must not change.
2. We agree that leases of land will be valid for fifty years after 1997 and that the British Hong Kong Government may use the income from the sale of land. But we hope it will use that income for capital construction and the development of land, not for administrative expenses.
3. We hope that the British Hong Kong Government will not increase the number of personnel and the amount of their pay and pensions without consultation, putting a heavy burden on the future government of the special administrative region.
4. We hope that during the transition period the British Hong Kong Government will not, without consultation, organize a group of administrators to be imposed on the Hong Kong Special Administrative Region.
5. We hope that the British Hong Kong Government will persuade people in the relevant departments not to let British capital take the lead in withdrawing from Hong Kong.

We hope no problems will crop up during the transition period, but we must be prepared for any that may arise despite our wishes. From now on the British and Chinese governments need to cooperate more closely.

The two governments have reached a basic agreement in their talks on the Hong Kong question. I am confident that the "one country, two systems" formula will work. This will produce a favourable reaction internationally and will serve as an example for other nations in settling the disputes history has bequeathed to them. When we developed the concept of "one country, two systems", we also considered what methods could be used to resolve international disputes. There are so many issues all over the globe that are tangled in knots and very difficult to solve. It is possible, I think, that some of them might be disentangled by this method. Our sole purpose has been to find mutually acceptable solutions to disputes. In the past, many have flared up and led to armed conflicts. If fair and reasonable measures are taken, they will help eliminate flash points and stabilize the world situation.

(Excerpt from a talk with the British Foreign Secretary, Sir Geoffrey Howe.)

**SPEECH AT THE CEREMONY CELEBRATING THE 35TH
ANNIVERSARY OF THE FOUNDING OF THE PEOPLE'S REPUBLIC
OF CHINA**

October 1, 1984

Comrade commanders and fighters of the Chinese People's Liberation Army! All fellow-countrymen, comrades and friends!

On this glorious occasion of the 35th anniversary of the founding of the great People's Republic of China, I wish to express my warmest congratulations to the comrades, compatriots and friends who are working for our socialist modernization, for the reunification of our motherland and for the security of our country.

Thirty-five years ago Chairman Mao Zedong, the great leader of the people of all our nationalities, solemnly proclaimed here the founding of the People's Republic of China. Ever since then the Chinese people have stood on their feet. In the past 35 years not only have we ended for all time a dark period of our past and created a socialist society in China, but we have changed the course of human history. Particularly since [the Third Plenary Session of the Eleventh Central Committee of the Chinese Communist Party](#) -- when the reactionary deeds of the counter-revolutionary Gang of Four were [put to a definitive end](#), the ideological line of seeking truth from facts advocated by Comrade Mao Zedong was restored and developed and a number of important policies suited to the new situation were adopted -- the whole country has taken on a new look. On a foundation of national stability, unity, democracy and the rule of law, we have given socialist modernization the highest priority in our work. Our economy has grown more

vigorously than ever before, and achievements in all other fields are widely acknowledged. Today, all our people are full of joy and pride.

The Party's Twelfth National Congress set a goal of quadrupling the gross annual value of industrial and agricultural output between 1980 and the year 2000.⁶ The experience of the past few years indicates that this magnificent goal can be reached. Our primary job at present is to reform systematically everything in the existing economic structure that is impeding our progress. At the same time, we should carry out the technical transformation of existing enterprises throughout the country as planned. We should redouble our efforts in scientific and technological research, in education at all levels and in the training of workers, administrative staff and cadres. The entire Party membership and the community at large must truly value knowledge and let intellectuals make their contribution. All this will ensure that we gradually realize our programme of modernization.

China's foreign policy is known to all, and it will remain unchanged. We stand firmly for the maintenance of world peace, for the relaxation of international tension and for arms reduction -- above all, the reduction of the superpowers' nuclear and other weapons -- and we are opposed to all forms of aggression and hegemony. China will remain open to the outside world and is ready to establish and expand diplomatic relations and economic and cultural ties with all countries on the basis of the [Five Principles of Peaceful Coexistence](#). We believe in settling international disputes through negotiations, as China and the United Kingdom have done with regard to the Hong Kong question. The international situation being far from tranquil, we must strengthen our national defence. The commanders and fighters of the Chinese People's Liberation Army must be alert at all times, constantly increase their military competence and their political understanding and strive to master the skills of modern warfare.

We want peaceful reunification with Taiwan, which is part of our sacred territory. Our policy in this regard is also known to all and will not change. The desire for peaceful reunification of the motherland is taking hold in the hearts of the entire Chinese nation. It is an irresistible trend, and sooner or later it will become a reality. We hope that the people of all our nationalities, including our compatriots in Hong Kong, Macao and Taiwan and those residing abroad, will work together for its early realization.

Long live the great People's Republic of China!

Long live the great Communist Party of China!

Long live the great Chinese People's Liberation Army!

Long live the great unity of all nationalities of China!

MAINTAIN PROSPERITY AND STABILITY IN HONG KONG

October 3, 1984

I am very happy to see so many of you attending our National Day celebrations, and I believe Hong Kong has a bright future. Among those who have come for the celebrations are people from different walks of life and with different political views. This shows that you all favour China's resumption of the exercise of sovereignty over Hong Kong and the [agreement reached between the Chinese and British governments](#). It follows that we all have the same important prerequisite, love for the motherland and for Hong Kong, and that we all share the same goal, to maintain prosperity and stability in Hong Kong over the next 13 years and after. With our joint efforts, I am sure our goal will be achieved. After 1997 those of you who are 60 or 70 will not be as energetic as you are today. There are many young people among us here; they have an advantage over us in this respect. As for me, I should love to be around in 1997, to see with my own eyes China's resumption of the exercise of sovereignty over Hong Kong.

Some people are worried that China's policy may change once we are no longer around. I appreciate their trust in elderly men like me. But today I should like to assure you that China's policy will not change; nobody can change it, because it is right and effective and enjoys the support of the people. Since it is backed by the people, anyone who tries to change it will meet with the people's opposition. It is certain that the contents of the Joint Declaration will not change. And our Central Government and the Central Committee of the Communist Party always live up to their international obligations; that was true even during the years of turmoil. Acting in good faith is a Chinese tradition, not something invented by our generation. It is an essential quality of our magnificent old country. Ours is a great and proud nation. A great nation should preserve its dignity and adhere to the principles it has formulated. In the agreement we stated that no change would be made for 50 years, and we mean it. There will be no changes in my generation or in the next. And I doubt that 50 years after 1997, when the mainland is developed, people will handle matters like this in a narrow-minded way. So don't worry, there won't be any changes.

Besides, not all changes are bad. Some of them are good, and the question is what should be changed. China's takeover of Hong Kong is a change, isn't it? So we should not be afraid of all changes. If there are any, they will only be changes for the better, for the greater benefit of the prosperity and development of Hong Kong, not changes detrimental to the interests of the people there. Changes like that should be welcomed by all of us. If some people say there will be no changes whatever, don't believe them. We cannot say that every aspect of the capitalist system in Hong Kong is perfect. Even when we compare the developed capitalist countries, we find that each has both strengths and weaknesses. If we make Hong Kong develop on a sounder basis -- wouldn't that be a change? People in Hong Kong will welcome this change and indeed demand it. There is no doubt about that. We are making some changes too. The most important thing, the thing that we will not change, is the socialist system. The "one country, two systems" policy is a great change, and so is our rural policy. In a few days we shall hold a plenary session of the Central Committee of the CPC to discuss reform in the cities. That reform will also be a change, and an earthshaking one. The question is whether these changes

will lead to good results or bad. So we should not reject all changes; if we did that, we should never make progress. This is a question of people's way of thinking.

Other people are afraid of intervention. Again, we should not fear all interventions; intervention in some cases may be necessary. The question is whether it is good or bad for the interests of the people of Hong Kong and for prosperity and stability there. Now it seems that there will be good order in Hong Kong for the 13 years from 1984 to 1997 and for another 50 years after that. I am confident of this. But we should not think there are no potentially disruptive forces. These forces may come from any direction. If there are disturbances in Hong Kong, the Central Government will intervene. If intervention puts an end to disturbances and brings about order, should we welcome or reject it? We should welcome it. That is why we need to make a concrete analysis of everything.

I have also spoken about the need for participation in the administration of the affairs of Hong Kong during the transition period of 13 years, and participation is also a kind of intervention. Of course, I don't mean participation by Beijing, but by people in Hong Kong. The Central Government supports their participation. It is unimaginable that a new team of administrators should suddenly take over on the morning of July 1, 1997. They would be unfamiliar with everything, and wouldn't that cause disorder? Or if not disorder, at least confusion? During the last six or seven years of the transition period, a group of young and capable people from different trades and professions should be selected to participate in the Hong Kong government to administer affairs, including financial affairs. Things cannot go well unless they participate, because if they don't, they will not become familiar with affairs in Hong Kong. In the course of their work we shall have the opportunity to identify professionally competent people to use for the administration of Hong Kong after 1997. There is only one requirement for participants: they must be patriots, that is, people who love the motherland and Hong Kong. After 1997 the administrators will adhere to the capitalist system, but they must not do anything that is detrimental to the interests of the motherland or of the compatriots in Hong Kong. So we cannot indiscriminately oppose all types of participation and intervention.

Hong Kong will be administered by people in Hong Kong -- that will not change. The administrators will be elected by the people there and then appointed by the Central Government; they will not be sent by the Central Government. Of course, some of them should be on the Left, but as few as possible; some should be on the Right; and preferably a larger number should be middle-of-the-roaders. In this way, people from different sectors of society will be satisfied. In handling all these affairs, the Central Government will concentrate on those that affect the overall interest and not concern itself with lesser matters.

So, some people are worried about a change in China's policy and others about intervention. Are there still others who are worried about something else? Some people are worried about possible disturbances in Hong Kong. If there are any disturbances, there will have to be intervention. Not only the Central Government but also the people in Hong Kong will have to take action. There are bound to be people who make trouble, but we must not let them get the upper hand.

When I talked with some British guests, I said I hoped that certain problems would not arise in Hong Kong during the transition period. One was that British capital would take the lead in withdrawing from the territory, and another was that there would be great fluctuations in the value of the Hong Kong dollar. If the reserves are depleted and the Hong Kong dollar depreciates, there will be unrest. So how can we not be concerned about the reserves during the transition period? There is also the problem of land. If all the land is sold and the proceeds are used for administrative expenses, that would shift the burden onto the Government of the Hong Kong Special Administrative Region after 1997. In that case, could we afford not to intervene? When I talked with the British, I listed five points, and they expressed their willingness to cooperate with us on them.

I said that China had the right to station troops in Hong Kong. I asked what else could demonstrate that China exercised sovereignty over the territory. The Chinese troops in Hong Kong would have another role also -- to prevent disturbances. Knowing that there were Chinese troops present, people who intended to incite disturbances would have to think twice about it. And even if there were disturbances, they could be quelled immediately.

With regard to the Sino-British Joint Declaration, not only do we know that we shall abide by it, but we are also convinced that the British will do the same, and we are still more convinced that our Chinese compatriots in Hong Kong will do so too. However, we should keep in mind that there are bound to be people who do not want to abide by it strictly. There will be certain factors that might cause disturbances, disorder and instability. To be honest, these factors will not come from Beijing, but we cannot exclude the possibility that they exist inside Hong Kong or that they will come from certain international forces. International reaction to the Joint Declaration has been favourable. When people talk about possible changes, they always speculate about the possibility that Beijing will change its policy, never about the possibility that others will change theirs. So long as our compatriots in Hong Kong unite and choose good political figures to administer the territory, they should not be afraid of changes, and they can prevent disturbances. And even if there are disturbances, they will be minor ones and can be dealt with easily.

After 1997 Taiwan's institutions in Hong Kong will be allowed to remain. They will be allowed to disseminate their "[Three People's Principles](#)" and to criticize the Communist Party -- that won't bother us, because the Communist Party cannot be toppled by criticism. However, they should take care not to create disturbances in Hong Kong or to create "two Chinas". We believe that, being Chinese, they will stand on the side of our nation and help safeguard its general interests and dignity. Under the conditions that will prevail there after 1997, they can be allowed to carry out their activities and conduct propaganda, so long as they conform to these requirements.

In short, we shall meet with many new things after the signing of the agreement. We used to say that we should familiarize ourselves with new situations and solve new problems. Here, we are confronted precisely with new situations and new problems. Frankly, we cannot be certain about what will happen in the future, but if problems arise, we shall find

reasonable solutions to them. So when you return to Hong Kong, please make these views known to the five million people there in all fields of endeavour.

It is my hope that our compatriots from Hong Kong and Macao will visit more places and see more of our country to witness the changes. We have a slogan, "Long live the great unity of the Chinese nation!" Right? So long as we all stand on the side of the Chinese nation and help safeguard its general interests, all of us, regardless of our different political views and including those who criticize the Communist Party, can unite. I hope that our compatriots in Hong Kong will unite and pool their efforts to safeguard the prosperity and stability of the territory, so as to contribute to a smooth transfer of government in 1997.

(Excerpt from a talk with Chinese visitors from Hong Kong and Macao attending the National Day celebrations in Beijing.)

OUR MAGNIFICENT GOAL AND BASIC POLICIES

October 6, 1984

I am a layman in the field of economics. I have made a few remarks on the subject, but all from a political point of view. For example, I proposed China's economic policy of opening to the outside world, but as for the details or specifics of how to implement it, I know very little indeed. So today I am dealing with the question again from the political point of view.

We have determined a political objective: to quadruple economic production by the end of the century, achieving a per capita gross national product of US\$800 and a better standard of living for our people. This objective may seem modest to developed countries, but to China it is an ambitious, magnificent goal. What is more important, with that achievement as a foundation we can strive to approach the level of the developed countries within 30 to 50 years. That will be no easy job. It can't be accomplished by bragging and empty talk. We need to have a whole set of sound guidelines and policies concerning domestic and foreign affairs. Since [the Third Plenary Session of our Party's Eleventh Central Committee](#), we have formulated a policy of invigorating the domestic economy and opening to the outside world. Our goal cannot be attained without such a policy.

To invigorate the domestic economy, we began with the countryside. Eighty per cent of our population lives there. China's social stability and its economic development depend above all on the development of the countryside and the improvement of rural living standards. A fourfold increase in overall production depends first and foremost on whether it can be achieved by the 80 per cent of our people who live in the countryside. It seems that all our new rural policies are succeeding. In the past, life in the countryside was difficult. Now we can say that most of our people there have enough food to eat and clothes to wear, and their housing conditions have greatly improved. The quick success

of our rural policies has heightened our confidence and encouraged us to decide on the target of quadrupling the GNP.

The recent rural reforms are of revolutionary significance. Meanwhile, we have embarked on an experiment in urban reform. Of course, we cannot mechanically apply what is successful in the countryside to the cities, where the situation is far more complex, involving industry, commerce and the service sector as well as the scientific, educational and cultural spheres. Urban reforms and the restructuring of the economy in general will be the main topic for the forthcoming [Third Plenary Session of the Twelfth Central Committee of the Party](#). That session will herald China's comprehensive reform. It took three years for rural reform to take effect, and it may take three to five years for urban reform to bring about noticeable changes. Our experience in the countryside convinces us that our urban reform will succeed. We are also aware that mistakes may be made because of the complicated nature of urban reform, but they will not affect the situation as a whole. We shall watch our step, and if anything goes wrong, we shall put it right, that's all. In short, we shall adhere to our motto, seek truth from facts. We are convinced that our urban reform will succeed too and that the forthcoming Third Plenary Session of the Twelfth Central Committee will go down in Chinese history as a very important event.

While invigorating the domestic economy, we have also formulated a policy of opening to the outside world. Reviewing our history, we have concluded that one of the most important reasons for China's long years of stagnation and backwardness was its policy of closing the country to outside contact. Our experience shows that China cannot rebuild itself behind closed doors and that it cannot develop in isolation from the rest of the world. It goes without saying that a large country like China cannot depend on others for its development; it must depend mainly on itself, on its own efforts. Nevertheless, while holding to self-reliance, we should open our country to the outside world to obtain such aid as foreign investment capital and technology. This kind of assistance is not unilateral. While China will obtain investment capital and technology from other nations, particularly the developed ones, it will in turn make a greater contribution to the world economy. Its expanded foreign trade in recent years has borne this out. So we say that the assistance and the contribution are mutual. Invigorating our domestic economy and opening to the outside world are long-term, not short-term, policies that will remain unchanged for at least 50 or 70 years. Why? Because quadrupling the GNP, which will take 20 years, is only our first step and will be followed by a second, approaching the level of developed countries, which will take 30 or 50, let's say 50, years. The two steps together will take 50 or 70 years. By then it will be even less likely that the policies will change. If anything, we shall open up still more. Our people would not allow anything else.

It is our hope that businessmen and economists in other countries will appreciate that helping China develop will benefit the rest of the world as well. China's foreign trade makes up a very small portion of the world's total. If we succeed in quadrupling the GNP, the volume of our foreign trade will increase considerably, promoting economic relations with other countries and expanding the Chinese market. Therefore, judged from the

international perspective, China's development will benefit world peace and the world economy. Western statesmen should realize that unless it helps developing countries, the West will have difficulties solving its own market and economic problems. I'm afraid an open economic policy is not a question confronting just the developing countries, but the developed ones too. Three fourths of the world's population live in the developing countries, an area which does not yet amount to much in terms of a market. But there is only limited room for expanding the world market if people confine themselves to the developed countries alone.

We hope that foreign industrialists and businessmen will consider cooperation with China in a world perspective. Cooperation has been proceeding quite well in recent years. We need to expand it. To facilitate extensive contacts, the China International Trust and Investment Corporation can serve as a window to the outside world. Believe me, China is not petty-minded about details regarding its economic relations and cooperation with other countries. Because we lack experience, some of our laws are not yet well defined, but they will be as time goes on. Some friends have expressed their fear of risks. If any problems arise, we shall share the burden. Others have raised the question of the duration of cooperation between enterprises. If the technology you provide is really advanced, cooperation can be prolonged. In short, to increase economic cooperation between countries, China will work to encourage it, and so should the industrialists and businessmen of developed nations. First of all, they should set aside their concern about risks; there is no need to worry that our policies might change. They should confidently accelerate their cooperation with us. Time will prove that those who help us will benefit no less in return. And their help will have even greater significance politically and strategically.

(An interview with Chinese and foreign delegates to a symposium on China's economic cooperation with foreign countries.)

WE REGARD REFORM AS A REVOLUTION

October 10, 1984

For the most part, the current changes in China started at the end of 1978, when the Third Plenary Session of our Party's Eleventh Central Committee was held. At that session the Central Committee reviewed our historical experience and decided on a series of policies designed to restore order. In fact, we had begun to set things to rights as early as 1975. At that time I was in charge of the work of the Central Committee and the government, and I introduced [a series of rectification measures](#). Before long these measures produced excellent results in every area, but they ran counter to the "cultural revolution" and angered the Gang of Four. So once again I was ousted from office. For two years after the downfall of the Gang, we still didn't know what to do, because the chief central leader at the time carried out the policy of the "two whatevers" and reaffirmed the value of the "cultural revolution". The Third Plenary Session of the Eleventh Central Committee,

however, marked the beginning of real changes, and nearly six years have passed since then. The results are even better than we had expected.

First we solved the problem of rural policies, instituting the contracted responsibility system for farming with remuneration linked to output, encouraging diversified production and the use of scientific advances in farming, and granting peasants the power to manage their own affairs. All these policies were so effective that three years after their implementation, notable changes had taken place in the countryside. In 1978 we held the Third Plenary Session of the Eleventh Central Committee, and in a few days we shall convene the Third Plenary Session of the Twelfth Central Committee, which will have its own special features. The first Third Plenary Session focused on rural reform, whereas this Third Plenary Session will focus on urban reform, including the reform of industry, commerce and other sectors. We can say this will be a comprehensive reform. The basic content of both rural and urban reform is to invigorate the domestic economy and open China wider to the outside world. Although urban reform will be more complex than rural reform, since we have succeeded in the one, we are confident that we can succeed in the other. It took three years for rural reform to show results, and it will take longer, three to five years, for urban reform to do so. When the resolution to be adopted by the Third Plenary Session of the Twelfth Central Committee is promulgated, people will see we aim at nothing less than a comprehensive reform. We regard reform as a revolution -- not as a "cultural revolution" of course.

When you visited China in 1974, you and I talked about the danger of war. Now we Chinese have slightly different views. We feel that although the danger of war still exists and we still have to remain vigilant, the factors that can prevent a new world war are growing. Our foreign policy is to oppose hegemonism and safeguard world peace. Under this general policy, we seek to improve our relations with the United States and the Soviet Union. We have made some substantive progress in improving relations with the United States. We are also trying to improve relations with the Soviet Union, while sticking to our principles. What is more important for us is to increase our cooperation with other Third World countries and at the same time to expand our relations with Europe and Japan and increase our cooperation with them. China is a force for peace, which is very important. The last thing China wants is war. China is very poor and wants to develop; it can't do that without a peaceful environment. Since we want a peaceful environment, we must cooperate with all of the world's forces for peace.

(Excerpt from a talk with Chancellor Helmut Kohl of the Federal Republic of Germany.)

**SPEECH AT THE THIRD PLENARY SESSION OF THE
CENTRAL ADVISORY COMMISSION OF THE
COMMUNIST PARTY OF CHINA**

October 22, 1984

I think that the current Central Committee is experienced and that it has handled different kinds of problems properly and in an orderly way. Foreign newspapers and magazines say that I play a role in it. True, I do play a certain role. I offer some advice, but it is the other comrades who do most of the work and perform the hardest tasks. Take, for example, the "Decision on Reform of the Economic Structure". When the decision was adopted by the Central Committee the day before yesterday, I made a few remarks. I said I thought it read like the draft of a textbook on political economy that integrated the fundamental tenets of Marxism with the practice of socialism in China. That was my assessment of it. Over the past two days there has been a good deal of reaction to this decision both at home and abroad. Everyone says it is of historic significance. It is really a very good document, but I didn't write or revise a single word of it. That's the truth. So don't try to exaggerate my role. That would only raise doubts in people's minds and lead them to believe that China's policies will change once Deng is gone. That's just what the world community is concerned about.

We should make it clear to the rest of the world that nobody can alter the principles, policies and strategies we have worked out. Why? Because experience has shown that they are sound and effective. The people's standard of living is rising, the country is thriving and China's international prestige is growing. These are the most essential facts. If the current policies were changed, the country and the people would suffer. So the people, primarily the 800 million peasants, would never agree to their being changed. If the rural policies were changed, their living standards would immediately decline. There are still tens of millions of people in the countryside who do not yet have enough food and clothing, although things are much better than before. Now that most parts of the country have become better off, the state can spare more resources to help the few poor areas develop. The central authorities have drawn up a plan in this regard. The problem will not be too difficult to solve, because both the state and the prosperous areas can lend a helping hand. We know from our own experience that our generation will not change the policies; nor will the next generation or the next few after that.

In my recent talks with foreign guests, I never failed to assure them that our current policies would not change, that they could rely on their continuity. Still, they were not completely convinced. This is a serious problem of which I am well aware. That's why I have adopted a lighter work schedule. The advantages are first, that I can enjoy a longer life, and second, that some comrades who are younger can do more work and do it better than I, because they are full of energy. I hope I can gradually give up work altogether and maintain my good health. Then I shall have fulfilled my mission. But at the moment I still have to do some work. Last year I devoted myself to only one task: a crackdown on crime. This year I have worked on two projects: opening another 14 coastal cities and resolving the Hong Kong question through the "one country, two systems" approach. Everything else has been done by other people.

The policy of "one country, two systems" has been adopted out of consideration for China's realities. China is faced with the problems of Hong Kong and Taiwan. There are only two ways to solve them. One is through negotiation and the other is by force. To solve a problem by peaceful negotiation requires that the terms be acceptable to all

parties. The solution to the Hong Kong question should be acceptable to China, Britain and the inhabitants of Hong Kong. What formula will they accept? A socialist transformation of Hong Kong would not be acceptable to all parties. Therefore, the formula of "one country, two systems" was proposed.

When Mrs. Thatcher came to hold talks with us two years ago, she insisted that according to international law a treaty once signed remains valid and that Britain would continue its administration of Hong Kong after 1997. I told her that sovereignty was not negotiable and that China would recover the whole of Hong Kong in 1997. As to the manner of the recovery, we decided to negotiate. I said the negotiations would take two years; less than that would not do. But, I said, the question must be solved in not more than two years. Then China would formally declare its decision to recover Hong Kong in 1997.

It turned out that the negotiations did take two years. At the very beginning Mrs. Thatcher proposed that the talks should deal only with the question of jurisdiction over Hong Kong. I said there were three questions to be dealt with. The first was the question of sovereignty, that is, the two sides had to reach agreement on the return of Hong Kong to China; the second was how to administer the affairs of Hong Kong after we resumed the exercise of sovereignty in 1997, that is, what system was to be instituted there; and the third was what arrangements to make for the 15-year period of transition, that is, how to create the conditions for China to resume the exercise of sovereignty. Mrs. Thatcher agreed to discuss these questions. Of the two years of talks, more than a year was spent on the issue of jurisdiction and sovereignty, but she made no concessions. I told her then that if anything unexpected happened in Hong Kong during the 15-year period of transition -- if there were disturbances, for example -- and if the Sino-British talks failed, China would reconsider the timing and manner of its recovery of Hong Kong. So at that time, China set the keynote for a settlement of the Hong Kong question. And indeed we have proceeded in accordance with this keynote ever since.

Why were the negotiations on the Hong Kong question a success? Not because of any special feats on the part of our negotiators but chiefly because of the rapid progress our country has been making in recent years -- it has been thriving and growing powerful and has proved trustworthy. We mean what we say and we keep our word. Since the fall of the Gang of Four, and especially in the six years since the Third Plenary Session of the Eleventh Central Committee, highly favourable changes have taken place in China. Its image has improved. Our own people have seen this, and so have people in other countries. We can be proud of that. Of course, there is a difference between pride and conceit. We should not be conceited or boastful, because we are still economically backward. But we have good prospects as a nation, as is demonstrated by the resolution of the Hong Kong question. Of course, that resolution was achieved also because we adopted the fundamentally correct policy or strategy of "one country, two systems". And it was the result of the combined efforts of the Chinese and British governments.

The resolution of the Hong Kong question has a direct bearing on the Taiwan question. It will take a long time to resolve the Taiwan question; we should not be impatient for quick results. It is still our principle to negotiate with those in power in the Kuomintang. Some

people in Taiwan have reacted to that principle by complaining that we don't place any importance on the people of Taiwan. In the draft of the speech delivered by the Premier at a National Day reception not long ago, the phrase "the Taiwan authorities" was expanded to read "the Taiwan authorities and people of all walks of life". It was I who made the change. This means that we should reach out to more people in handling the Taiwan question. In addition to the Kuomintang authorities and Chiang Ching-kuo, we should contact as many sectors as possible. We have done a little of this, but we should go about it in a more systematic way.

We are well aware that the United States policy is to hang onto Taiwan. Over the past two or three years we have repeatedly criticized the hegemonism of the United States, which regards Taiwan as its unsinkable aircraft carrier. There are some people in the U.S. who are in favour of the reunification of Taiwan with the mainland, but their view does not prevail. The Carter Administration [1977-1981] committed itself to the withdrawal of American troops from Taiwan, but at the same time it adopted the [Taiwan Relations Act](#), which constituted interference in China's internal affairs. We therefore need time to work on both the Taiwan authorities and the U.S. government.

Both of them should be able to accept the "one country, two systems" formula as a solution to the Taiwan question. Is it realistic of Chiang Ching-kuo to propose unifying China with the "[Three People's Principles](#)"? His "Three People's Principles" were applied in China for 22 years, from 1927 to 1949. What became of China then? When did the Chinese people stand up? In 1949. It was the Communist Party and socialism, not [Chiang Kai-shek](#), that made it possible for the Chinese people to stand up. Isn't "one country, two systems" -- a formula under which neither side will swallow up the other -- a better solution?

Recently a foreigner asked me whether we would adopt a policy for the settlement of the Taiwan question similar to our policy for the resolution of the Hong Kong question. I said that in the case of Taiwan our policy would be even more flexible. By more flexible I mean that in addition to the policies used to settle the Hong Kong question, we shall allow Taiwan to maintain its own armed forces. While we shall persevere in our efforts to solve the Taiwan question by peaceful means, we have never ruled out the possibility of using non-peaceful means. We cannot make a commitment like that. What should we do if the Taiwan authorities refuse to negotiate with us forever? Can we give up on the reunification of our country? Of course, there can be no question of using force rashly, because we have to devote our energies to economic development, and if the question of reunification is postponed, that will do no harm to the overall situation. But we cannot rule out the use of force -- that is something we must bear in mind, and so must the next generation. This is a strategic consideration.

I have also told foreign guests that to settle international disputes new solutions should be put forward in the light of new situations and new problems. The "one country, two systems" solution was proposed in the light of realities in China, but it could also be applied to certain international problems. Many international disputes may reach the flash point if they are not handled properly. I asked our guests whether the "one country, two

systems" solution could not be applied in some cases and the "joint development" solution in others. The notion of "joint development" was also proposed first in the light of our own realities. We have the question of Diaoyu Island and the question of the Nansha Islands [the Spratlys]. The question of Diaoyu Island was raised at a press conference during my visit to Japan. I replied that there was a controversy over this issue between China and Japan. There are different names for the same island -- in Japan it is known as Senkaku Shoto. This question, I said, could be set aside for the moment; probably the next generation would be cleverer than we and would find a practical solution.

At the time, I was wondering whether it would be possible for the two countries to develop the area jointly, without getting involved in the controversy over sovereignty. This would only mean joint exploitation of the offshore oil resources. We could have a joint venture that would profit both sides. It would not be necessary to fight a war or to hold many rounds of talks. World maps have always shown the Nansha Islands as part of China. Now one of the islands is occupied by Taiwan, while others are occupied by the Philippines, Vietnam or Malaysia. What is to be done? One alternative is to take all these islands back by force; another is to set aside the question of sovereignty and develop them jointly. By so doing we can make the problems that have piled up over the years disappear. This question will have to be settled sooner or later. There are many international disputes of this kind. We Chinese stand for peace and wish to settle all disputes by peaceful means. What kind of peaceful means? "One country, two systems" and "joint development". The foreign guests who talked with me all agreed that this was a new and interesting idea.

Now I should like to turn to domestic issues. As I said at the beginning, our current Central Committee is working well and in an orderly way. The situation as a whole is very good. Isn't it stated in the "Decision on Reform of the Economic Structure" that political stability and unity are increasing? That is quite true. How often since its founding has our Party experienced as good a political situation as this? In my talk with foreign guests, I was bold enough to say that we would be able to quadruple our GNP by the year 2000. We never dared be so positive before. We used to say only that with strenuous efforts we might be able to do it. Four years into the period of the Sixth Five-Year Plan [1980-1985], we find that the major production targets have been reached two years ahead of time and that this year's annual plan also will be overfulfilled. We used to say that a fourfold increase would be realized if the average growth rate reached 6.5 per cent for the 1980s and 7.2 per cent for the last two decades of the century as a whole. It now seems that the average growth rate for the 1980s may exceed 7.2 per cent, because for the last three years it was nearly 8 per cent.

Quadrupling the gross national product will be an achievement of great significance. It will mean an annual GNP of US \$1 trillion by the year 2000. At that time China's GNP will place it in the front ranks of countries. In terms of the people's living standards \$1 trillion will mean a comfortable life, and in terms of national strength China will be quite powerful. Because if we allocated 1 per cent of the GNP to national defence, that would come to \$10 billion, and it would be easy to upgrade our military equipment. I have

learned that the Soviet Union allocates 20 per cent of its gross national product to national defence. With such a heavy burden on its back, the country is bowed down. With \$10 billion we could accomplish a great deal. If that sum were devoted to science and education, we could run many universities, and we could also spend more on universal primary and secondary education. The investment in intellectual resources must exceed 1 per cent. Right now we are facing too many difficulties to add even a small amount to the funds for education and scientific research. By the end of the century, our people will have a comfortable standard of living, much higher than the one they have now.

Last year I toured Suzhou. The industrial and agricultural output of the area had reached a per capita value of approximately \$800. I asked about the living standards. First, people in Suzhou don't want to leave for Shanghai or Beijing. Probably in most parts of southern Jiangsu Province people are happy with their lives and have no wish to leave their hometowns. Second, the average living space exceeds 20 square metres per person. Third, everybody has received primary and secondary education, because the people have more money to spend on schools. Fourth, the people have no more problems with food or clothing, and many of them own television sets, household appliances and whatnot. Fifth, there has been a tremendous change in people's ethical standards, and crime and violations of discipline have declined significantly. There are other improvements that I can't recall now. But the ones I have just cited are impressive enough!

For now, we should continue our efforts to crack down on criminals. But when the people really have a comfortable standard of living, their attitude towards life will be quite different. Material conditions are the foundation. With improved material conditions and a higher educational level, there will be a great change in people's standards of conduct. It is necessary for us to crack down on criminals and we should continue to do so. But the ultimate solution does not lie in bringing criminals to justice. The real, permanent solution is to quadruple the GNP and develop the economy. Of course, we shall still have to conduct education among the people; work among the people can never be dispensed with. But economic development is the foundation, and it will make that work easier. What will the political situation be like once we have quadrupled the GNP? I am confident that there will be genuine stability and unity. China will be truly powerful, exerting a much greater influence in the world. That's why we have to work hard. There are 16 more years until the year 2000. Let's apply ourselves and work with one heart and one mind.

Quadrupling the GNP will be a significant achievement in another way too. It will provide a new starting point from which, in another 30 to 50 years, we shall approach the level of the developed countries. I am talking about production and living standards, not political systems. This is something feasible, tangible and within our grasp. But we shall not be able to reach this new target without the policy of opening to the outside world. The volume of our foreign trade now stands at a little over \$40 billion. Right? How can we quadruple the GNP with such meagre imports and exports? What shall we do with our products when our annual GNP reaches \$1 trillion? Are we going to sell all of them on the domestic market? And are we going to produce at home everything we need? Naturally we are going to import some things from abroad and sell some things to other

countries, aren't we? So, if we don't open to the outside world, it will be difficult to quadruple the GNP and even more difficult to make further progress after that. Foreigners worry that our open policy might change. I have said that it will not change. I have told them that our first target covers the period between now and the end of the century and that we have a second target to attain within another 30 to 50 years -- maybe longer, but say 50 years -- in which the open policy will remain indispensable.

A closed-door policy prevents any country from developing. We suffered from isolation, and so did our forefathers. You might say it was an open policy of a sort when Zheng He was sent on voyages to the western oceans by [Emperor Cheng Zu](#) of the Ming Dynasty. But the Ming Dynasty began to decline with the death of Emperor Cheng Zu. In the Qing Dynasty, during the reigns of [Kang Xi](#) and Qian Long, there was no open policy to speak of. China remained isolated for more than 300 years from the middle of the Ming Dynasty to the [Opium War](#), or for nearly 200 years counting from the reign of Kang Xi. As a consequence, the country declined into poverty and ignorance. After the founding of the People's Republic, during the period of the First Five-Year Plan, we did open our country to the outside world, but only to the Soviet Union and the East European countries. And later we closed our doors. It's true that we achieved certain things, but on the whole we did not make striking progress. Of course, that was due to many domestic and international factors, including the mistakes we made ourselves. But the lessons of the past tell us that if we don't open to the outside we can't make much headway.

Opening will not hurt us. Some of our comrades are always worried that if we open up, undesirable things may be brought into China. Above all, they worry that the country might go capitalist. I'm afraid some of our veteran comrades do harbour such misgivings. Since they have been devoted to socialism and communism all their lives, they are horrified by the sudden appearance of capitalism. They can't stand it. But it will have no effect on socialism. No effect. Of course, some negative elements will come in, and we must be aware of that. But it will not be difficult for us to overcome them; we'll find ways of doing so. If we isolate ourselves and close our doors again, it will be absolutely impossible for us to approach the level of the developed countries in 50 years. Even if our country remains as open as it is now, and even when our per capita GNP reaches several thousand dollars, no new bourgeoisie will emerge, because the basic means of production will still be state-owned or collectively owned -- in other words, publicly owned. And if the country prospers and the people's material and cultural life continually improves, what's wrong with that? However much we open up in the next 16 years until the end of the century, the publicly owned sector of the economy will remain predominant. Even in a joint venture with foreigners, half is socialist-owned. And we shall take more than half of the earnings of joint ventures. So, don't be afraid. It is the country and the people who will benefit most from them, not the capitalists.

With regard to some other problems, we don't have to be impatient for quick solutions. For instance, the emergence of privately hired labour was quite shocking a while back. Everybody was very worried about it. In my opinion, that problem can be set aside for a couple of years. Will that affect the overall situation? If we act on the question now, people will say the policies have changed, and they will be upset. If you put the man who

makes "Fool's Sunflower Seeds" out of business, it will make many people anxious, and that won't do anybody any good. What is there to be afraid of if we let him go on selling his seeds for a while? Will that hurt socialism?

The document on reform of the economic structure is a good one, because it explains what socialism is in terms never used by the founders of Marxism-Leninism. There are some new theories. I think it has clarified things. We could never have drawn up such a document without the experience of the last few years. And even if it had been produced, it would have been very hard to get it adopted -- it would have been regarded as heresy. Our experience has enabled us to answer new questions that have arisen under new circumstances. We have been stressing the need to uphold the [Four Cardinal Principles](#), haven't we? That is truly upholding socialism. Otherwise, we would merely be "preferring socialist weeds to capitalist seedlings", as the Gang of Four wanted. Veteran comrades must emancipate their minds. I say the decision is good because all the comrades on the Central Committee, the Central Advisory Commission and the Central Commission for Discipline Inspection agree with it and appreciate the necessity and importance of issuing such a programmatic document at this point. It is a good document.

The decision is in ten parts, all of which are important, but the ninth is the most important. The ninth part can be summed up as "respecting knowledge and talented people". The key to success is to identify and employ talented people. To be more specific, some comrades now in their 50s are quite competent. But 10 years from now they will be in their 60s. We should therefore unhesitatingly promote young and middle-aged cadres, especially those in their 30s and 40s, as suggested by Comrade [Chen Yun](#). That was a good suggestion. Young people in this age group who are promoted will have a longer time to work. They may not have sufficient experience now, but in a couple of years they will have. They may not be qualified now, but in a couple of years they will be. Their minds are more flexible. Next year Party consolidation will be extended to include units and enterprises at the grass-roots level. This will be extremely important work, and its success or failure will depend on whether we can find a lot of capable young people now. Because by the end of the century those who are now 30 will be only in their 40s and those who are 40 will be only in their 50s.

Veteran comrades on the Central Advisory Commission should give more thought to this question and offer their advice. They must be open-minded about it, because otherwise nothing can be accomplished. We should persuade older comrades to vacate their leading posts. If they don't, there will be no positions for the young cadres. Our general situation is one of stability and unity, but if there are difficulties anywhere that have not been overcome, it is in relation to this question. It doesn't matter much if problems crop up in other areas. But if we don't solve this one, it will have serious consequences and result in major errors. It is not easy to ask older comrades to give up their positions, but that is what we have to do, and we must not back down. I said two years ago that I hoped to be the first to retire. At the time the Central Advisory Commission was established, I said it was a transitional form to be replaced ultimately by a retirement system. We only have a limited number of posts; besides, we are planning to streamline our administration. If the

old don't make way, how can the young be promoted? And if they can't, how is our cause to thrive?

In this respect too, we should learn from the developed countries. Some Third World countries have also been quite successful in solving this problem. I was told recently that in a number of them, most of the ministers are only in their 30s. Some are older, but relatively few. Prime ministers are probably older, but, in general, only in their 50s. We were young at the time of nationwide liberation. I was 45, and many comrades were even younger. I was only 23 at the end of 1927 when I first served as Secretary-General of the Central Committee. That was quite a high office. I didn't know much, but I managed. In short, it is an important responsibility of our Central Advisory Commission to choose young cadres for promotion.

**WE MUST FOLLOW OUR OWN ROAD IN
ECONOMIC DEVELOPMENT AS
WE DID IN REVOLUTION**

October 26, 1984

China is a major country as well as a minor one. By major I mean that it has a huge population and a vast territory, and by minor I mean that it is still a relatively poor, developing country with a per capita GNP of only US\$300. So China is in fact both a minor and a major country. It is one of the permanent members of the United Nations Security Council. Its vote definitely represents the Third World, the underdeveloped countries. We have said more than once that China belongs to the Third World. It will still belong to the Third World even after it is developed. China will never become a "superpower".

China's economic development is at a comparatively low level, which is not commensurate with its status as a country with such a huge population and vast territory. Our achievements since the founding of the People's Republic are great. But our progress has been delayed by setbacks, notably the "cultural revolution"; things would definitely be different were it not for those setbacks. In the past six years we have broken with "Left" policies. We are now devoting ourselves wholeheartedly to economic development. In these six years we have scored successes well beyond our expectations. I think we shall be able to achieve our goal of increasing per capita GNP to US\$800 by the end of the century. We need a peaceful international environment to ensure our development and the attainment of our great goal. We love peace.

Recently, at its Third Plenary Session, our Party's Twelfth Central Committee adopted the "Decision on Reform of the Economic Structure". The reform of the economic structure is now focused on the cities. Reform in the cities is more complicated than in the countryside. Some minor problems may arise in the process, but it doesn't matter. The correctness of the decision adopted at the Third Plenary Session will be borne out in three

to five years' time. By adhering to the principles embraced in that decision, we can accelerate the development of our economy.

If we have learned anything from our achievements in these years, it is that we were right to reaffirm the principle of seeking truth from facts, as advocated by Comrade Mao Zedong. The Chinese revolution owed its success to Comrade Mao Zedong, who blazed a Chinese road by integrating Marxism-Leninism with Chinese realities. In our present development programme we should do likewise. It is precisely because, in accordance with this principle, we have been following our own road in these six years that our rural reform has been successful. The recently adopted decision to focus reform on the cities is another example of following our own road by integrating the fundamental principles of Marxism-Leninism with Chinese realities. The lesson we have learned from our setbacks is that this is what we must do. We may make mistakes in future, but first, we shall avoid major ones and second, we shall correct anything untoward as soon as it is discovered.

(Excerpt from a talk with President Maumoon Abdul Gayoom of the Republic of Maldives.)

THE PRINCIPLES OF PEACEFUL COEXISTENCE HAVE A POTENTIALLY WIDE APPLICATION

October 31, 1984

There are two outstanding issues in the world today. One is the question of peace, the other the relationship between North and South. We find many other problems too, but none of them has the same overall, global, strategic significance as these two. In the present-day world the North is developed and rich while the South is underdeveloped and poor. And relatively speaking, the rich are getting richer and the poor poorer. The South wants to shake off its poverty and backwardness, and the North needs a developed South. For where can the North find a market for its products if the South remains underdeveloped? The biggest problems facing the developed capitalist countries are the pace of their progress and continued development. In this connection, there is another side to South-South cooperation: it can promote North-South cooperation.

The [Five Principles of Peaceful Coexistence](#) provide the best way to handle the relations between nations. Other ways -- thinking in terms of "the socialist community", "bloc politics" or "spheres of influence", for example -- lead to conflict, heightening international tensions. Looking at the history of international relations, we find that the Five Principles of Peaceful Coexistence have a potentially wide application.

We could take the idea a step further. These principles could probably help solve some of a country's internal problems as well. The "one country, two systems" model, which we have proposed, in accordance with Chinese realities, to reunify the nation, is likewise an embodiment of peaceful coexistence. To settle the Hong Kong question, we are allowing

Hong Kong to keep its capitalist system unchanged for 50 years. The same principle holds true for Taiwan. And since Taiwan is different from Hong Kong, it may also retain its army. In calling for the reunification of China on the basis of the "[Three People's Principles](#)", the Taiwan authorities, to say the least, lack a sense of reality. Is it possible to reunify the country by subjecting the mainland, with its one billion people, to the current system in Taiwan, with its population of a dozen million or so? Time and again we have advised the Taiwan authorities to abandon such thinking. A method should be devised by which neither side would swallow up the other. The one billion people on the mainland will continue to build socialism, while Taiwan may go on with its capitalism. Beijing will send no one to Taiwan. Wouldn't that be a case of peaceful coexistence? So the principles of peaceful coexistence provide a good solution not only to international issues, but to domestic problems as well.

The question of Taiwan is the main obstacle to better relations between China and the United States, and it might even develop into a crisis between the two nations. If the "one country, two systems" approach is adopted, not only would China be reunified, but the interests of the United States would remain unimpaired. There is a group of people in the United States today who, carrying on the "[Dulles](#) doctrine", regard Taiwan as a U.S. aircraft carrier or as a territory within the U.S. sphere of influence. Once the Taiwan question was solved through peaceful coexistence, the issue would be defused, and these people would shed their illusions accordingly. That would be a very good thing for the peace and stability of the Pacific region and of the rest of the world.

(Excerpt from a talk with President U San Yu of Myanmar.)

**THE ARMY SHOULD SUBORDINATE ITSELF TO
THE GENERAL INTEREST, WHICH IS TO
DEVELOP THE COUNTRY**

November 1, 1984

I want to talk about the question of considering the general interest. By the general interest I mean our national development. Our nation is full of vitality and is thriving in every sector. Even many foreigners share this view and say so. That has been the situation for the last five years, and particularly for the last three years when our rural policies began to yield results. This increases our confidence. Why is it that we are now in a position to launch reform in the cities or, as we say, to dare "touch the tiger's rump"? The reform is not without certain risks. A recent example was the run on consumer goods in Beijing. And it was not confined to Beijing; the same thing happened in many other cities too. We foresaw all this. Why are we not afraid of it? Because we have quite a plentiful supply of consumer goods to fall back on, the sight of which reassures the people. The goal set by the Twelfth National Congress of the Party is to quadruple the annual gross value of our industrial and agricultural output by the year 2000, a goal which, I can say with certainty, will be achieved. This is a matter of utmost importance. Although our per capita GNP will not amount to much and will mean only a

comparatively comfortable living standard, in terms of total GNP, it will mean a trillion US dollars! Furthermore, our country will become more powerful. That is the double significance of quadrupling our industrial and agricultural output.

On the one hand we shall open to the outside world, and on the other we shall invigorate our domestic economy. Reform means invigorating the economy. And doing that means opening up at home, which is another aspect of the same policy. Some of our people are not clear about our policy of opening to the outside. They think we mean only opening to the West, whereas in fact we mean opening to three regions. One is the developed countries in the West, which constitute our chief source of foreign funds and technology. The second is composed of the Soviet Union and the East European countries. Even though state-to-state relations are not normal, exchanges can go on, for instance, in commercial transactions, technology and even in joint ventures and technical innovations -- innovations in the 156 projects [which were originally designed and built with the assistance of the Soviet Union], for example. They have a part to play in all these respects. The third region is the developing countries of the Third World, each of which has its special characteristics and strengths and offers enormous potentialities. Hence, opening to the outside world involves three regions, not just one. Invigorating our domestic economy and reforming our economic structure will proceed more rapidly than expected, which means a promising future. Some problems may crop up in the process. Never mind, there is nothing to be afraid of, because we shall move step by step, reviewing our work as we go, and try to correct promptly anything that goes wrong. However, there will be no fundamental changes, not with regard to major policies.

What is essential now is that the Party, government, army and people throughout the land work wholeheartedly for national development, taking it into account in everything they do. The army has its role to play here. It must do nothing harmful to the general interest, and all its work must conform to it and be governed by it. Since the development of all our armed services is tied to national development, they should devise ways to assist and actively participate in it. The air force, the navy and the Commission in Charge of Science, Technology and Industry for National Defence should divert some of their resources to foster the development of the economy. For instance, the air force can spare some airports for civilian or both military and civilian use to help the state develop civil aviation. The navy can designate some of its ports for both military and civilian use and others for civilian use only, to help increase the handling capacity of the nation's ports. Our national defence industry, which is well equipped and has a huge contingent of technicians, should be put to full use in every aspect of national development to help boost civilian production. If these things are done, they can have only good results. In short, everyone should proceed from the general interest, always bear it in mind and help develop the economy by all possible means. A developed economy will make things easier for us. Once the general situation is improved and our national strength greatly increased, it will not be too difficult for us to produce a few more atomic bombs, missiles and other pieces of modern equipment, whether for air, sea or land.

Another question is training people for both military and civilian jobs, which is also in the general interest. The army has been doing a good job in this respect and has much to

its credit. [That's fine](#). The army's efforts to train people is warmly received by local authorities. Such training will make it easier for demobilized cadres and soldiers to be transferred to civilian jobs. Comrade [Yu Qiuli](#) has told me that soldiers trained in raising pigs can readily find jobs. And drivers are in great demand. The army has trained a large number of personnel with special skills, and transferring some of them to the civilian sector would provide support for local communities.

I hope the comrades present here will encourage cadres at all levels to concern themselves with the general interest of the state, which is to develop our country over the next 20 years or, to be exact, the 16 years to the year 2000. In everything it does the army should subordinate itself to that general interest.

(Excerpt from a speech at a forum held by the Military Commission of the Central Committee of the Communist Party of China.)

CHINA WILL ALWAYS KEEP ITS PROMISES

December 19, 1984

In reaching an agreement on the [question of Hong Kong](#), the leaders of our two countries have done something highly significant for our countries and peoples. This problem has lasted for a century and a half. As long as it remained unsolved, it cast a shadow over the relations between us. Now that the shadow has been lifted, a bright prospect has opened up for cooperation between our two countries and friendly contact between our two peoples.

If the concept of "one country, two systems" has international significance, that should be attributed to Marxist dialectical materialism and historical materialism or, in the words of Chairman Mao Zedong, to the principle of seeking truth from facts. This concept was formulated on the basis of China's realities. The practical problem confronting China was how to settle the questions of Hong Kong and Taiwan. There were only two possible ways: one was peaceful, the other non-peaceful. To settle the Hong Kong question peacefully, we had to take into consideration the actual conditions in Hong Kong, in China and in Great Britain. In other words, the way in which we settled the question had to be acceptable to all three parties.

If we had wanted to achieve reunification by imposing socialism on Hong Kong, not all three parties would have accepted it. And reluctant acquiescence by some parties would only have led to turmoil. Even if there had been no armed conflict, Hong Kong would have become a bleak city with a host of problems, and that is not something we would have wanted. So the only solution to the Hong Kong question that would be acceptable to all three parties was the "one country, two systems" arrangement, under which Hong Kong would be allowed to retain its capitalist system and its status as a free port and a financial centre. There was no alternative. The idea of "one country, two systems" had first been suggested not in connection with Hong Kong but in connection with Taiwan.

The nine principles concerning the Taiwan question, as proposed by Ye Jianying, Chairman of the Standing Committee of the National People's Congress, on the eve of National Day in 1981, were not summed up in the formula "one country, two systems", but that is in fact what they meant. And when the Hong Kong question was put on the table two years ago, we presented the idea in those terms.

When this idea was put forward, it was considered a new formulation, one that had never been offered by our predecessors. Some people doubted that it would work. They will have to be convinced by the facts. It seems to have worked so far. The Chinese, at least, think it works, because the negotiations of the past two years have proved that it does. This concept of "one country, two systems" has played a very important, if not decisive, role in the settlement of the Hong Kong question. It has been accepted by all three parties. Its viability will have been further demonstrated 13 years from now and 50 years after that. Some people are worried whether China will abide by the agreement once it has been signed. Your Excellency and the other British friends present here and people all over the world may be sure that China will always keep its promises.

A Japanese friend once asked me: Why do you specify a further period of 50 years? Why do you need to keep Hong Kong's current capitalist system unchanged for 50 years after 1997? What is the basis for this proposal? Do you have any particular reason in mind? I answered that we had, that this proposal too was based on China's realities. China has set itself the ambitious goal of quadrupling its GNP in two decades -- that is, by the end of this century -- and of reaching a level of comparative prosperity. But even then, China will still not be a wealthy or developed country. So that is only our first ambitious goal. It will take another 30 to 50 years after that for China to become a truly developed country, to approach -- not surpass -- the developed countries. If we need to follow the policy of opening China to the rest of the world until the end of this century, then 50 years later, when we are approaching the level of the developed countries, we shall have even more reason to follow it. If we departed from it, we could not accomplish anything. It is in China's vital interest to keep Hong Kong prosperous and stable. When we gave the figure of 50 years, we were not speaking casually or on impulse but in consideration of the realities in China and of our need for development. Similarly, we need a stable Taiwan for the rest of this century and the first half of the next. Taiwan is a part of China. China can have two systems within one and the same country. That is what we had in mind when we formulated our state policy. If people understand our fundamental viewpoint and the basis on which we have put forward this concept and established this policy, they will be convinced that we are not going to change it. I also explained to the Japanese friend that if the open policy remains unchanged in the first half of the next century, it will be even less likely to change in the 50 years after that, because then China will have more economic exchanges with other countries, and all countries will be more interdependent and inseparable.

I should also like to ask the Prime Minister to make it clear to the people of Hong Kong and of the rest of the world that the concept of "one country, two systems" includes not only capitalism but also socialism, which will be firmly maintained on the mainland of China, where one billion people live. There are one billion people on the mainland,

approximately 20 million on Taiwan and 5.5 million in Hong Kong. The problem arises of how to handle relations between such widely divergent numbers. The fact that one billion people, the overwhelming majority in a vast area, live under socialism is the indispensable precondition that enables us to allow capitalism in these small, limited areas at our side. We believe the existence of capitalism in limited areas will actually be conducive to the development of socialism. We have opened some 20 cities to the outside world, on condition that the socialist economy remains predominant there. These cities will not change their socialist nature. On the contrary, the policy of opening to the outside world will favour the growth of the socialist economy there.

(Excerpt from a talk with Prime Minister Margaret Thatcher of the United Kingdom.)

**PEACE AND DEVELOPMENT ARE THE TWO
OUTSTANDING
ISSUES IN THE WORLD TODAY**

March 4, 1985

Different people may have different attitudes towards the development of China. They analyse this question from different standpoints, depending on whether they think China's development will or will not be in their own interest. I should like to examine this question from two points of view, one political, the other economic.

From the political point of view, there is one thing that I can state clearly and positively, and that is that China seeks to preserve world peace and stability, not to destroy them. The stronger China grows, the better the chances are for preserving world peace. Some people used to regard China as a warlike country. In reply to that view, not only I but also other Chinese leaders, including the late Chairman Mao Zedong and Premier Zhou Enlai, have stated on many occasions that China desires peace more than anything else. In the days when Chairman Mao and Premier Zhou were leading the country, China was already strongly opposed to superpower hegemony, regarding it as the source of war, by which we meant not local war but potential world war. Only the two superpowers have the capacity to launch world war, while the other countries, such as China, Japan and the European countries, are not in a position to do so. It follows that opposing superpower hegemony means preserving world peace. Since the downfall of the Gang of Four, we too have made it a state policy to oppose superpower hegemony and keep world peace.

Generally speaking, the forces for world peace are growing, but the danger of war still exists. Not much progress has been made in the talks on control of nuclear arms and of weapons in outer space. That's why for many years we emphasized the danger of war. Recently, however, there have been some changes in our views. We now think that although there is still the danger of war, the forces that can deter it are growing, and we find that encouraging. The Japanese people do not want war, nor do the people of Europe. The Third World countries, including China, hope for national development, and war will bring them nothing good. The growing strength of the Third World -- and of the most

populous country, China, in particular -- is an important factor for world peace. So from the political point of view, a stronger China will help promote peace and stability in the Asia- Pacific region and in the rest of the world as well.

Some people are talking about the international situation in terms of a big triangle. Frankly, the China angle is not strong enough. China is both a major country and a minor one. When we say it is a major country, we mean it has a huge population and a vast territory, although it has more mountains than arable land. But at the same time, China is a minor country, an underdeveloped or developing country. It is a minor one in terms of its ability to safeguard peace and deter war. When China is fully developed, that ability will be greatly enhanced. I can say with certainty that, as I once told Mr. [Masayoshi Ohira](#), by the end of the century China will have quadrupled its gross national product and reached a level of comparative prosperity. When that time comes, China will surely play a bigger role in maintaining world peace and stability.

From the economic point of view, the two really great issues confronting the world today, issues of global strategic significance, are: first, peace, and second, economic development. The first involves East-West relations, while the second involves North-South relations. In short, countries in the East, West, North and South are all involved, but the North-South relations are the key question. What problems will the developed countries, such as Japan and the countries in Europe and North America, be faced with in their continued development? You will have to seek outlets for your capital and expand your trade and markets. Unless these problems are solved, the growth of the developed countries can only be very limited in the long run. I have discussed this question with many Japanese friends and also with friends from Europe and the United States. They have been preoccupied with it too. There are more than 4 billion people in the world today, about three quarters of whom live in the Third World. The other quarter -- about 1.1 or 1.2 billion -- live in the developed countries, including the Soviet Union, countries in Eastern Europe (which cannot be regarded as fully developed), in Western Europe and in North America, and Japan, Australia and New Zealand. It is not likely that these developed nations, with a combined population of only 1.1 or 1.2 billion, can continue to grow while the developing countries, with a combined population of more than 3 billion, remain in poverty. Of course, some Third World countries are becoming more prosperous, but they cannot yet be considered developed. And many others are still extremely poor. Unless their economic problems are solved, it will be hard for all the Third World countries to develop and for the developed countries to advance further.

The total volume of foreign trade of even so large a country as China was only US\$50 billion last year. If China could double that figure, making it \$100 billion, the world market would be expanded, wouldn't it? If China could quadruple that figure, making it \$200 billion, it would have even more exchanges with other countries. Foreign trade involves both import and export. With a quadrupled volume of foreign trade China would be able to absorb more foreign capital and products. Some developed countries are worried that if China were fully developed and expanded its exports, that would adversely affect their own exports. I agree that it would create competition. But with all their advanced technology and first-rate products, what do the developed countries have

to fear? In short, if the countries in the South are not duly developed, the countries in the North will find only very limited outlets for their capital and products; indeed, if the South remains poor, the North will find no outlets at all.

So, I think the decision of Japanese entrepreneurs to take a positive attitude towards economic and technological cooperation with China is of strategic importance.

(Excerpt from a talk with a delegation from the Japanese Chamber of Commerce and Industry.)

**THE REFORM OF THE SYSTEM FOR MANAGING
SCIENCE AND TECHNOLOGY IS DESIGNED
TO LIBERATE THE PRODUCTIVE FORCES**

March 7, 1985

I have come here today to congratulate you on the success of your conference and to show my respect for science and technology and for knowledge.

Seven years ago, also in the month of March, we held another conference on science at which I spoke. I talked mainly about two points that can be summarized in two sentences. One was that science and technology constituted part of the productive forces. The other was that China's intellectuals had become part of the working class. The reason I talked about those two points was that at the time they were controversial. Seven years have passed, and the controversy has been settled. How was it settled? Through practice and by the masses.

I am very pleased that nowadays even the peasants in mountainous areas know that science and technology are part of the productive forces. They may not have read my speech, but through their own practice they have come to realize that scientific and technological advances can help them expand production and become prosperous. Peasants regard scientists and engineers as brothers who help them shake off poverty; they refer to them as the "gods of wealth". That term was invented not by me but by the peasants. But it means the same thing I was trying to say in my speech at the conference on science.

I am also happy that comrades in scientific and technological circles have done so much work over the past few years. Our country's economic development is sound, and the prospects are getting better year by year. The people are pleased about that, and the whole world has recognized it. This includes your contribution. The Central Committee of the Party has called for the work in science and technology to be geared to the needs of economic development. You comrades have worked hard and scored many achievements. In addition, regarding yourselves as the masters of the country, you have put forward many good ideas for it. Whenever our scientists, professors and engineers visit a factory or a local area, they are warmly received and invited to offer advice on the country's

strategies, prospects and programmes. In our thousands of years of history it is unprecedented for scientists and engineers to take part in making decisions on economic and social policy. This shows that they enjoy much higher political and social status than ever before. The better you do your work and the more achievements you have to your credit, the better the people throughout the country will understand the value of knowledge and the more they will be encouraged to respect and acquire it. It is by your work that people judge the role of science and technology in the modernization programme and the importance of scientists and engineers.

We should go a step further to integrate science and technology with economic development. By this I mean that having established the principle of integrating them and come to a correct understanding of the importance of doing so, we should now tackle the system for managing science and technology. Last year the Central Committee adopted a decision on reform of the economic structure. The whole world is now commenting on that decision and thinks that is a bold invention by the Chinese Communist Party. Now the Central Committee will also adopt a decision on reform of the system for managing science and technology. Your conference has been a preparation for that decision. I think that the draft decision is a good document and that it has the same goal as the reform of the economic structure as a whole. The reform of the system for managing science and technology, like the reform of the economic structure, is designed to liberate the productive forces. The new economic structure should promote technological progress, and the new science and technology management system should promote economic development. When both reforms are carried out, we shall perhaps be able to solve the longstanding problem of the separation between science and technology and the economy.

In reforming the economic structure, what matters most is capable people, and that's what I am most concerned about. The same is true in reforming the system for managing science and technology. In this connection I want to make just two points. First, every year we must solve some of the intellectuals' problems, producing practical results. Second, we must create an environment that enables the brightest people to come to the fore. That is precisely the objective of our reform. We have no lack of talented people. We should not stifle their talents merely because they don't know everything yet or are not Party members, or because they don't have much education or a long record of service. The ability to identify capable people, unite with them and put their talents to best use is one of the chief signs of an experienced leader. I hope all units represented here will discuss these two points.

The purpose of our struggle over the last few decades has been to eliminate poverty. Our first objective is for our people to lead a fairly comfortable life by the end of this century, that is, to reach a level that is neither rich nor poor. Our second objective is to approach the economic level of the developed countries in another three to five decades, so that our people become relatively well-off. This is in the overall interest of the country. We should strive for a peaceful international environment and overcome all domestic obstacles. What people like us can do is to create favourable conditions for you. When you meet an obstacle, we should remove it. If anything is hobbling you in your work, we

should find a way of freeing you from it. We rely on you to do the work. I hope that you will boldly push the economy ahead and expand the productive forces.

(Speech at a National Conference on Work in Science and Technology.)

UNITY DEPENDS ON IDEALS AND DISCIPLINE

March 7, 1985

The domestic situation is excellent. Still, I'd like to call your attention to one point: while building a socialist society with Chinese characteristics, we must continue to promote not only material progress but also cultural and ideological progress. We must uphold the principle of the "five things to emphasize", "four things to beautify" and "three things to love" and encourage all our people to have lofty ideals and moral integrity, to become better educated and to cultivate a strong sense of discipline. Of these, lofty ideals and a strong sense of discipline are the most important. We must constantly urge our people, young people in particular, to have high ideals. How was it that we were able to survive untold hardships, overcome the most difficult and dangerous conditions and bring the revolution to victory? It was precisely because we had ideals and a belief in Marxism and communism.

Now we are building socialism, and our ultimate goal is to realize communism. I hope people doing propaganda work will never lose sight of that. Our modernization programme is a socialist programme, not anything else. All our policies for carrying out reform, opening to the outside world and invigorating the domestic economy are designed to develop the socialist economy. We allow the development of individual economy, of joint ventures with both Chinese and foreign investment and of enterprises wholly owned by foreign businessmen, but socialist public ownership will always remain predominant.

The aim of socialism is to make all our people prosperous, not to create polarization. If our policies led to polarization, it would mean that we had failed; if a new bourgeoisie emerged, it would mean that we had strayed from the right path. In encouraging some regions to become prosperous first, we intend that they should inspire others to follow their example and that all of them should help economically backward regions to develop. The same holds good for some individuals. A limit should be placed on the wealth of people who become prosperous first, through the income tax, for example. In addition, we should encourage them to contribute money to run schools and build roads, although we definitely should not set quotas for them. We should encourage these people to make donations, but it's better not to give such donations too much publicity.

In short, predominance of public ownership and common prosperity are the two fundamental socialist principles that we must adhere to. We shall firmly put them into practice. And ultimately we shall move on to communism. Some people are worried that China might go capitalist. We cannot say that their concern is entirely groundless. But we

shall use facts, not empty words, to dispel their anxieties and to answer the people who, on the contrary, are hoping we will go capitalist. The press, television and all other mass media must pay attention to this task. We ourselves are imbued with communist ideals and convictions: we must make a point of fostering those ideals and convictions in the next generation or the next two generations. We must see to it that our young people do not fall captive to decadent capitalist ideas. We must make absolutely sure of that.

Ideals cannot be realized without discipline. Discipline and freedom form a unity of opposites; both are indispensable. How can a vast country like China be united and organized? Through ideals and discipline. Strength comes from organization. Without ideals and discipline our country would be only a heap of loose sand, as it was in the old days. How, then, could we make a success of revolution and construction?

At present there are certain phenomena that demand our attention. For example, there is a lack of ideals and discipline, as is manifested in the tendency to put money above everything else. It goes without saying that this sort of thing should be subjected to appropriate criticism, but first of all we have to recognize that the problem really exists. Some Party and government departments have established companies, doing business with funds allocated by the state, abusing power for personal gain and appropriating public property for private use. And there are other kinds of dishonest practices that the masses are indignant about. We should remind people, especially Party members, that it is wrong to do these things. Aren't we in the midst of a Party rectification movement? We should give first priority to eliminating these bad practices.

During the current economic reform some tricky practices have appeared. There are people who say, "You have your policies, and I have my ways of getting around them." Indeed, they have plenty of ways of violating the law and discipline. Party members must strictly observe Party discipline. And everyone, whether a member of the Party or not, must abide by the laws of the state. Abiding by the laws of the state is included in Party discipline. The highest criterion of discipline is whether one truly protects and carries out the policies of the Party and the state.

Ideals and discipline, then, are the two things we must never forget. We should make it clear to the people, including our children, that we uphold socialism and communism and that the purpose of our policies in every field is to advance the socialist cause and eventually to realize communism.

(Impromptu remarks made after delivering the speech on pp. 113-115.)

REFORM IS CHINA'S SECOND REVOLUTION

March 28, 1985

The reform we are now carrying out is very daring. But if we do not carry it out, it will be hard for us to make progress. Reform is China's second revolution. It is something very

important that we have to undertake even though it involves risks. The "Report on the Work of the Government" made at the Third Session of the Sixth National People's Congress [held from March 27 to April 10, 1985] points out that we have already encountered some problems. When we decided to carry out reform, we anticipated that possibility. Our principle is to be bold, take a confident step and then look around carefully before taking another. Our policy is firm, and we are not going to change it. What is important is that we should review our experience at regular intervals, because reform involves the vital interests of the people, and every step we take will affect hundreds of millions of them. We shall see in a few years whether the reform is successful. It took three years for the rural reform to show results. As the overall reform involving both urban and rural areas is more complex, we think it will take five years to show results. In the process, we are bound to make mistakes, and problems are bound to arise. The crucial thing is to review what we have done and correct every wrong step promptly.

The problems that have appeared recently are nothing serious. Although some foreigners think they are, we are optimistic. The policy of opening up domestically and internationally will not change. The reform we are undertaking is the continuation and extension of that policy. To reform we need to continue to open up. At a national conference on scientific and technological work not long ago, when I was speaking about the implementation of the open policy, I stressed the need for ideals and discipline. Some people think that since China is emphasizing the importance of ideals, that means it is going to close its doors again. That is not true. We are soberly aware of the possible negative effects of the open policy and will not ignore them. Nevertheless, our principle is not to close but to continue to open. We may open even wider in the future. Some commentators abroad say that China's current policy is irreversible. I think they are right.

(Excerpt from a talk with Susumu Nikaido, Vice-President of the Liberal Democratic Party of Japan.)

WE SHALL EXPAND POLITICAL DEMOCRACY AND CARRY OUT ECONOMIC REFORM

April 15, 1985

When you visited China in 1973, there was great unrest because of the "cultural revolution", which was still going on. At that time the "Left" ideology was predominant in our society. As a consequence social and economic development was very slow.

After the founding of the People's Republic, in the rural areas we initiated agrarian reform and launched a movement for the [cooperative transformation of agriculture](#), while in the cities we conducted the [socialist transformation of capitalist industry and commerce](#). We were successful in both. However, from 1957 on, China was plagued by "Left" ideology, which gradually became dominant. During the [Great Leap Forward in 1958](#), people rushed headlong into mass action [to establish people's communes](#). They

placed lopsided emphasis on making the communes large and collective, urging everyone to "eat from the same big pot", and by so doing they brought disaster upon the nation. We won't even mention the "cultural revolution". For most of the period from 1976, when the Gang of Four was smashed, to 1978, nobody knew what to do, and "Left" mistakes kept being repeated. During the 20 years from 1958 to 1978 the income of peasants and workers rose only a little, and consequently their standard of living remained very low. The development of the productive forces was sluggish during those years. In 1978 per capita GNP was less than US\$250.

In December of that year, when the Eleventh Central Committee of the Communist Party convened its Third Plenary Session, We made a sober analysis of conditions in China and summed up our experience. We reaffirmed the great achievements scored in the 30 years from the founding of new China in 1949 through 1978, but that didn't mean that everything we had done was successful. The socialist system we have established is a good one, and we must adhere to it. The realization of socialism and communism was the lofty ideal we Marxists set for ourselves during the revolutionary years. Now that we are trying to reform the economy, we shall continue to keep to the socialist road and to uphold the ideal of communism. This is something our younger generation in particular must understand. But the problem is: what is socialism and how is it to be built? The most important lesson we have learned, among a great many others, is that we must be clear about those questions.

Comrade Mao Zedong was a great leader, and it was under his leadership that the Chinese revolution triumphed. Unfortunately, however, he made the grave mistake of neglecting the development of the productive forces. I do not mean he didn't want to develop them. The point is, not all of the methods he used were correct. For instance, neither the initiation of the Great Leap Forward nor the establishment of the people's communes conformed to the laws governing socio-economic development.

The fundamental principle of Marxism is that the productive forces must be developed. The ultimate goal for Marxists is to realize communism, which must be built on the basis of highly developed productive forces. Socialism constitutes the first stage of communism and will last for a long historical period. The primary task in the socialist period is to develop the productive forces and gradually improve people's material and cultural life. Our experience in the 20 years from 1958 to 1978 teaches us that poverty is not socialism, that socialism means eliminating poverty. Unless you are developing the productive forces and raising people's living standards, you cannot say that you are building socialism.

At the Third Plenary Session of the Eleventh Central Committee our Party, having reviewed our experience, laid down a series of new policies. There were two major domestic ones: to expand political democracy and to carry out economic reform and corresponding social reforms. As for our foreign policy, it is to oppose hegemonism and preserve world peace. Peace is the prime objective of our foreign policy. People all over the world are demanding peace, and we too need peace for national construction. Without a peaceful environment, how much construction could there be?

After the Third Plenary Session we proceeded to explore ways of building socialism in China. Finally we decided to develop the productive forces and gradually expand the economy. The first goal we set was to quadruple the GNP and achieve comparative prosperity by the end of the century. The second goal was, within 30 or 50 more years, to approach the level of the developed countries. How are we to go about achieving these goals? We must observe the laws governing socio-economic development and follow an open policy both internationally and domestically. It is very important to open to the outside world. No country can develop in isolation, with its doors closed; it must increase international contacts, introduce advanced methods, science and technology from developed countries and use their capital. Pursuing an open policy domestically means carrying out reform. The reform we are undertaking is a comprehensive one, including not only the economic and political spheres but also science, technology, education and all other fields of endeavour.

We began our reform in the countryside. The main purpose of the rural reform has been to bring the peasants' initiative into full play by introducing the responsibility system and discarding the system whereby "everybody eats from the same big pot". Why did we start in the countryside? Because that is where 80 per cent of China's population lives. If we didn't raise living standards in the countryside, the society would be unstable. Industry, commerce and other sectors of the economy cannot develop on the basis of the poverty of 80 per cent of the population. After three years of practice the rural reform has proved successful. The countryside has assumed a new look. The living standards of 90 per cent of the rural population have been raised. Those of the remaining 10 per cent are still low, but it should not be too difficult to solve that problem. Just now you mentioned that you had seen many new tall buildings in Beijing, but they aren't the big changes in China. The big changes are to be found in the countryside.

After our success in rural reform we embarked on urban reform. Urban reform is more complicated and risky. We have no experience in this regard. Also, China has traditionally been a very closed society, so that people lack information about what's going on elsewhere. That is one of our major weaknesses. Every step we take in urban reform will affect tens of thousands of families. However, we are fully aware of the risks and shall proceed carefully, drawing on the successful experience of rural reform to help us avoid major mistakes. Of course, we shall inevitably make minor and even not-so-minor mistakes. The principle we have laid down for ourselves is that we must be both determined and on the alert. By determined we mean that we must carry out the reform unswervingly; by on the alert we mean that we must promptly correct all mistakes as soon as they are identified. Reform is what the people want and demand. Although some problems have arisen in the process, we are confident that we can handle them. If it took us three years to complete the rural reform, we can expect that it will be three to five years before we can judge the success of the urban reform. We are sure it will be successful. To make it so we certainly won't rely on the help of God; we shall rely on our own efforts, learning from experience and pushing resolutely ahead. In short, we are doing something that China has never done before, not in thousands of years. The current reform will have an impact not only domestically but also internationally.

So, that is a brief history of new China and of what we have done in recent years. How can people build socialism? You said you wanted to learn from China's experience. The road to socialism in China has been full of twists and turns. But the experience of the last 20 years has taught us one very important principle: to build socialism we must adhere to Marxist dialectical materialism and historical materialism or, as Comrade Mao Zedong put it, in everything we do we must seek truth from facts -- in other words, we must proceed from reality.

(Excerpt from a talk with Vice-President Ali Hassan Mwinyi of the United Republic of Tanzania.)

DEVOTE SPECIAL EFFORT TO EDUCATION

May 19, 1985

My purpose in attending this conference today is primarily to show my support for education and to salute you and the other workers in education throughout the country.

I think the draft decision on reforming the educational structure is a good document. Now that we have the guiding principle and a plan, the main thing is to recognize their importance, take practical steps to implement them and to organize the work well.

We have stated on many occasions that China's economy may approach the level of the developed countries by the centenary of the founding of the People's Republic. One of the reasons we can say so is that in the meantime, we shall be able to develop education, raise the scientific and technological level of the country and train hundreds of millions of people in all disciplines and at all levels. Our national strength and sustained economic development depend more and more on the educational qualifications of the working people and on the quantity and quality of intellectuals. When China, a vast country with a billion people, has developed its education, it will enjoy an enormous superiority in intellectual resources that no other country can match. There is no doubt that when we have that superiority, together with an advanced socialist system, we shall be able to attain our goals. If the children now in the first grade of elementary school receive ten or more years of schooling, they will become a vital force for ushering in the 21st century. The Central Committee has called upon us to do our utmost to develop education, beginning with elementary and secondary education. This is a strategic move. If the Central Committee did not set this task for the Party now, major undertakings would be delayed and history would hold it responsible.

During recent years more and more comrades, from the central authorities down to local authorities and rural Party branches, have come to realize the importance of knowledge, trained people and education. This shows that our Party has made great progress in this respect. However, there are still a good many comrades, including some senior cadres, who do not fully understand the need to develop and reform education. They have no sense of urgency about it; they agree in words that education is important, but when it

comes to solving practical problems, they don't act as if it were important. Haven't we shifted the focus of the work of the Party and the country to economic development? It goes without saying that the focus should also be on education. If a locality or a department pays attention only to the economy and not to education, it has failed to shift the focus of its work completely. Leaders who neglect education are neither far-sighted nor mature, and they are therefore unable to lead the drive for modernization. Leaders at all levels should try to make educational work a success just as they do economic work.

Party committees and governments at all levels should take educational work seriously and do it well. You should be strict with yourselves and spend less time on idle talk and more on real work. For example, how are you going to implement the decision on reform in your area or department? If there are not enough school buildings and teaching facilities, how are you going to solve the problem? If the schools are short of funds, how are you going to raise them? How are you going to improve the meals for teachers and students? How are you going to organize the training of teachers? How can you improve the ideological and political work in schools? And so on and so forth. Leading comrades of Party committees and governments at all levels should often visit schools, listen to what all the teachers and students have to say and help them overcome their difficulties. What is leadership? Leadership means service. I said a few years ago that I would like to be director of support services for the comrades working in the departments of education and science and technology. I still feel that way. Leaders must do more real work. The bad habit of doing nothing but issuing instructions and indulging in empty talk must be broken. People in all departments and localities, especially the chief leading comrades, should pay attention to this problem.

I am optimistic about the development of education in our country. We do face difficulties, but we should recognize that we have favourable conditions. In any event, the economy has developed rapidly in the last few years. The economy is the foundation. Economic development will inevitably promote educational development. In both urban and rural areas and in all sectors of society people are enthusiastic about running schools. Quite a number of patriotic overseas Chinese are eager to donate money for the purpose. Now we also have a correct guiding principle. Under these circumstances, I think that as long as the leaders at all levels work conscientiously, it will be easy to develop education. There is no reason for us to be pessimistic. If we do solid work for a few years, we shall surely create a new situation in which education flourishes as never before.

I am very pleased that since last October the Central Committee has made [three decisions on reform](#). The general objectives of these measures are the same -- they are all designed to enable our country to eliminate poverty, become strong and prosperous, overcome backwardness, modernize and build a socialism suited to Chinese conditions. In the past seven months, we have done some things that we had wanted to do for many years. This shows that our Party now has a better understanding of what needs to be done and that it can creatively use the basic tenets of Marxism to solve many new problems that arise in the course of building socialism in present-day China. The whole world is watching the reforms in our country. I hope that all Party comrades and the people of all our

nationalities will march towards the goals set by the Central Committee and try to make a success of every reform!

(Speech at a National Conference on Education.)

BOURGEOIS LIBERALIZATION MEANS TAKING THE CAPITALIST ROAD

May and June 1985

I

The mainland will maintain the socialist system and not turn off onto the wrong road, the road to capitalism. One of the features distinguishing socialism from capitalism is that socialism means common prosperity, not polarization of income. The wealth created belongs first to the state and second to the people; it is therefore impossible for a new bourgeoisie to emerge. The amount that goes to the state will be spent for the benefit of the people, a small portion being used to strengthen national defence and the rest to develop the economy, education and science and to raise the people's living standards and cultural level.

Since the downfall of the Gang of Four an ideological trend has appeared that we call bourgeois liberalization. Its exponents worship the "democracy" and "freedom" of the Western capitalist countries and reject socialism. This cannot be allowed. China must modernize; it must absolutely not liberalize or take the capitalist road, as countries of the West have done. Those exponents of bourgeois liberalization who have violated state law must be dealt with severely. Because what they are doing is, precisely, "speaking out freely, airing their views fully, putting up big-character posters" and producing illegal publications -- all of which only creates unrest and brings back the practices of the "cultural revolution". We must keep this evil trend in check. In 1980 the National People's Congress adopted a special resolution to delete from Article 45 of the Constitution the provision that citizens "have the right to speak out freely, air their views fully, hold great debates and write big-character posters" -- a provision that had been added during the "cultural revolution". People who worship Western "democracy" are always insisting on those rights. But having gone through the ordeals of the ten-year "cultural revolution", China cannot restore them. Without ideals and a strong sense of discipline it would be impossible for China to adhere to the socialist system, to develop the socialist economy and to realize the modernization programme.

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. Our modernization drive and the open policy must exclude bourgeois liberalization. For the past few years there has been liberal thinking not only in the society at large but also inside the Party. If this trend were

allowed to spread, it would undermine our cause. In short, our goal is to create a stable political environment; in an environment of political unrest, it would be impossible for us to proceed with socialist construction or to accomplish anything. Our major task is to build up the country, and less important things should be subordinated to it. Even if there is a good reason for having them, the major task must take precedence.

II

A few persons who have advocated bourgeois liberalization and violated state law have been dealt with according to law. In China, bourgeois liberalization means taking the capitalist road and leads to disunity. I'm not talking about the reunification of Taiwan with the mainland now but about unity on the mainland. Bourgeois liberalization would plunge our society into turmoil and make it impossible for us to proceed with the work of construction. To check bourgeois liberalization is therefore a matter of principle and one of vital importance for us.

Your view of the way we dealt with these few persons is different from ours, because you think of this question in terms of human rights. I should like to ask: what are human rights? Above all, how many people are they meant for? Do those rights belong to the minority, to the majority or to all the people in a country? Our concept of human rights is, in essence, different from that of the Western world, because we see the question from a different point of view.

(Excerpts from (I) a talk with Prof. Chen Ku-ying, formerly of Taiwan University, on May 20, 1985; and (II) a talk with the committee chairmen of a Symposium on the Question of the Mainland and Taiwan on June 6, 1985.)

**SPEECH AT AN ENLARGED MEETING OF THE
MILITARY COMMISSION OF THE CENTRAL
COMMITTEE OF THE COMMUNIST PARTY
OF CHINA**
June 4, 1985

At this important meeting I should like to say a few words first about troop reduction. We are determined to reduce the People's Liberation Army by one million men. This bears witness to the strength and confidence of the Chinese Communist Party, the Chinese government and the Chinese people. It shows that the People's Republic of China, with a population of one billion, is willing to take concrete actions to help maintain world peace. In fact, reducing the army by one million men will not weaken but enhance its combat effectiveness. Even if the world situation deteriorates, this reduction will still have been necessary -- indeed, all the more necessary. As we said before, if we don't cut back the overstaffed army units, in wartime it will be difficult for us to disperse them, let alone to command the troops. But if we do cut back, it will be hard to find jobs for several hundred thousand demobilized army cadres. At the group discussion Comrade [Yang](#)

[Shangkun](#) raised this problem, and we have to find a solution to it. This meeting has been going on successfully, and we have reached a consensus. I think there are no differing opinions on this subject. That shows that our comrades from the army approach problems by taking into consideration the overall interest and the situation both at home and abroad.

Today I should like to speak mainly about the international situation, China's international status and our foreign policy. This has something to do with our meeting. Since the defeat of the Gang of Four, and particularly since the Third Plenary Session of the Party's Eleventh Central Committee, we have made two important changes in our assessment of the international situation and in our foreign policy.

The first change is in our understanding of the question of war and peace. We used to believe that war was inevitable and imminent. Many of our policy decisions were based on this belief, including the decision to disperse production projects in three lines, locating some of them in the mountains and concealing others in caves. In recent years, after careful analysis of the situation, we have come to believe that only the two superpowers, the Soviet Union and the United States, are in a position to launch world war. But neither dares do so yet. First, these two countries have atomic bombs and many conventional weapons and the military strength to destroy each other. They cannot exterminate mankind, but I am afraid they can cause untold destruction. So neither one dares be the first to launch a war. Second, these two countries are striving for global strategic deployment but have suffered setbacks and met with failures, so neither dares to start a war. At the same time, they are engaging in an arms race, so there is still a danger of world war.

However, the world forces for peace are growing faster than the forces for war. The forces for peace are, first of all, the Third World, to which China belongs. The people of the Third World, which account for three fourths of the world population, do not want war. The forces for peace also include developed countries other than the United States and the Soviet Union. If a world war breaks out, they will not let themselves be dragged into it. In fact, the American and Soviet peoples themselves do not support war. The world is vast and complex, but if you analyse the situation you will find there are only a few people who support war; most people want peace.

We should also recognize that the new revolution in science and technology all over the world is developing vigorously and that economic strength, science and technology play an outstanding role in worldwide competition. Neither the United States and the Soviet Union, nor the other developed countries, nor the developing countries can afford to ignore this. Thus we can conclude that it is possible that there will be no large-scale war for a fairly long time to come and that there is hope of maintaining world peace. In short, after analysing the general trends in the world and the environment around us, we have changed our view that the danger of war is imminent.

The second change is in our foreign policy. In view of the threat of Soviet hegemonism, over the years we formed a strategic line of defence -- a line stretching from Japan to

Europe to the United States. Now we have altered our strategy, and this represents a major change. People around the world are talking about the big triangle composed of the Soviet Union, the United States and China. We don't put it that way, because we have a sober estimate of our own strength, but we do believe that China has considerable influence in international affairs. We pursue a correct, independent diplomatic line and foreign policy, opposing hegemonism and safeguarding world peace. We side firmly with the forces that stand for peace and oppose those that stand for hegemonism and war. So China's development represents the development of the forces for peace and against war. It is important for us to be seen as part of those forces, and indeed, that is the role we want to play. In accordance with our independent foreign policy of peace, we have improved our relations with the United States and with the Soviet Union. China will not play the card of another country and will not allow another country to play the China card, and we mean what we say. This will enhance China's international status and enable us to have more influence in international affairs.

In short, we have made two major changes: in our assessment of the international situation and in our foreign policy. Now we can see that we were correct to make these changes and that they are beneficial to us. So long as we persist in the new assessment and the new policy, we can concentrate without fear on the drive for modernization. We shall continue to rely on ourselves, but we shall also follow the policy of opening up and taking advantage of the peaceful international environment to absorb as many useful things as possible from other countries. That will help accelerate our development.

Finally, I want to add one more point. We are all concerned about building the army and modernizing its equipment, and this also has an important bearing on the overall situation. The four modernizations include the modernization of defence. Without that modernization there would be only three [agriculture, industry, and science and technology]. But the four modernizations should be achieved in order of priority. Only when we have a good economic foundation will it be possible for us to modernize the army's equipment. So we must wait patiently for a few years. I am certain that by the end of the century we can surpass the goal of quadrupling the GNP. At that time, when we are strong economically, we shall be able to spend more money on updating equipment. We can also buy some from abroad, but we should rely on ourselves to conduct research and design superior planes for the air force and equipment for the navy and army. If the economy develops, we can accomplish anything. What we have to do now is to put all our efforts into developing the economy. That is the most important thing, and everything else must be subordinated to it.

REFORM AND OPENING TO THE OUTSIDE WORLD ARE A GREAT EXPERIMENT

June 29, 1985

The Shenzhen Special Economic Zone is an experiment. It will be some time before we know whether we are doing the right thing there. It is something new under socialism.

We hope to make it a success, but if it fails, we can learn from the experience. In building socialism the central task is to develop the productive forces. We are adopting all measures to develop them, including use of foreign funds and introduction of advanced technologies. This is a great experiment, something that is not described in books.

Our greatest experiment is the reform of the economic structure. We started the reform first in the rural areas. It was only after it had produced results there that we had the courage to launch it in the cities. In fact, the urban reform is a reform of the economic structure as a whole and is very risky. No sooner had it been started than problems appeared. Late last year we found that we had issued 10 billion yuan more than we should have, and this year inflation has been higher than we expected. But none of this matters much. It will take some years to straighten out the relations between the various economic sectors. If we succeed, we shall be sure of quadrupling the annual gross value of industrial and agricultural output by the end of this century. We have to proceed in accordance with the law of value and other economic laws. If all goes well, we shall be able to lay the foundation for sustained, coordinated development of the economy over the next 50 to 70 years.

It takes courage to carry out a comprehensive reform of the economic structure; we must be determined and proceed steadily. Right now, for our Party and country, reform is the task that takes precedence over everything else and that is the most difficult.

(Excerpt from a talk with a delegation from the Party of the National Liberation Front of Algeria.)

SEIZE THE OPPORTUNE MOMENT TO ADVANCE THE REFORM

July 11, 1985

Don't we say that at the beginning of a war we have to be cautious to ensure victory? We need to look back over the period since the Third Plenary Session of the Twelfth Central Committee.

I said a while back to some foreigners that the reform had been going well. I made this remark at a time when there had been panic buying in Beijing, and the people here had been in a state of anxiety for two weeks. Nevertheless, I was optimistic. Things are still going well; I have thought so all along. It will be three to five years before we can tell whether the reform of the economic structure is successful and to what extent. Only when it has shown positive results will we be able to convince people that the resolution of the Third Plenary Session was correct.

The purpose of the reform is to lay a solid foundation for sustained development over the next decade and throughout the first half of the next century. Without the reform, there could be no sustained development. So, we should think not in terms of just three to five

years, but in terms of the last 20 years of this century and the first 50 of the next. We must persist in the reform.

Price reform will be the hardest nut to crack, but we have to crack it. If we don't, there will be no foundation for sustained development. In the nine months since the Third Plenary Session of the Twelfth Central Committee, practice has proved that the decision to reform prices was correct. I am afraid it will take three years to straighten out the prices of consumer goods. It may take even longer, if the prices of capital goods are reformed simultaneously. If price relations are straightened out in five years, that will be a tremendous achievement. It will be a difficult task. The reform has been going well, and we must keep at it: we must continue on this path. Even if disturbances, major disturbances, occur, reform must continue. Otherwise, we shall accomplish nothing over the next decade. We must seize this highly opportune moment for reform.

As for the manufacture of industrial products, especially export goods, the central task is to improve quality; quality should be placed above everything else. Township enterprises should pay attention to quality, too. If we are going to improve quality, we must carry out reform. We should make some laws regarding quality, establish criteria for quality inspection and set up a powerful body to ensure that the criteria are strictly adhered to. If this is done, we shall be able to reduce the number of problems considerably and put a stop to deceptive practices. We've always stressed the importance of quality, but only in general terms. That's not enough: we have to give it priority and take practical steps to ensure it.

(Excerpt from a talk with leading members of the Central Committee of the CPC who were reporting

**SPECIAL ECONOMIC ZONES SHOULD SHIFT THEIR
ECONOMY FROM A DOMESTIC ORIENTATION TO
AN EXTERNAL ORIENTATION**

August 1, 1985

We have only just begun to shift the economy of our special economic zones from a domestic orientation to an external orientation, and so we still don't have many good, exportable products. Until Shenzhen has become a city with an export-oriented economy, it cannot be truly considered a special economic zone, and it cannot be said to be developing properly. But I understand there has been some progress in this direction.

Recently I told a foreign guest that the Shenzhen Special Economic Zone was an experiment. That made some people abroad wonder if China was going to change its policies again and if I had reversed my previous judgement about special economic zones. So I want to confirm two things here and now. First, the policy of establishing special economic zones is correct; and second, the special economic zones are an experiment. There is no contradiction here. Our entire policy of opening to the outside is an experiment too, and a big one from the world point of view. In short, China's open

policy will remain unchanged, but in pursuing it we must proceed with caution. We have achieved some successes, but we must stay modest.

(Excerpt from a talk with the 13th delegation sent to China by the Komei Party of Japan.)

on the current economic situation.)

TWO KINDS OF COMMENTS ABOUT CHINA'S REFORM

August 21, 1985

People abroad are making two kinds of comments about China's economic reform. Some commentators maintain that the reform will cause China to abandon socialism, while others hold that it will not. These last are far-sighted. All our reforms have the same aim: to clear away the obstacles to the development of the productive forces. In the past we carried out the new-democratic revolution. After the founding of the People's Republic, we completed agrarian reform and conducted the socialist transformation of agriculture, handicrafts and capitalist industry and commerce, thus establishing the socialist economic base. All this was a great revolution, which lasted for more than three decades. But in the many years following the establishment of the socialist economic base, we failed to work out policies that would create favourable conditions for the development of the productive forces. As a result, they developed slowly, the material and cultural life of the people did not improve rapidly enough, and the country could not free itself from poverty and backwardness. Under these circumstances, in December 1978, at the Third Plenary Session of the Eleventh Central Committee of the Party, we were compelled to decide on a course of reform.

Our general principles are that we should keep to the socialist road, uphold the people's democratic dictatorship, uphold leadership by the Communist Party and uphold Marxism-Leninism and Mao Zedong Thought. These principles have been written into China's Constitution. The problem is how to implement them. Should we follow a policy that will not help us shake off poverty and backwardness, or should we, on the basis of those four principles, choose a better policy that will enable us to rapidly develop the productive forces? Our decision at the Third Plenary Session of the Eleventh Central Committee to carry out reform meant that we were choosing a better policy. Just like our past revolutions, the reform is designed to clear away the obstacles to the development of the productive forces and to lift China out of poverty and backwardness. In this sense, the reform may also be called a revolutionary change.

In a nutshell, our economic reform means invigorating the domestic economy and opening to the outside world. Invigorating the domestic economy means opening domestically, so as to stimulate the initiative of the people throughout the country. As soon as the open policy was implemented in the countryside, the initiative of the 800 million peasants was aroused. The open policy in the cities will likewise stimulate the

initiative of enterprises and of all sectors of society. An invigorated domestic economy will help promote socialism without affecting its essence. As for the practice of absorbing foreign funds, it is a supplementary means of developing the productive forces, and we need not worry that it will undermine the socialist system. Of course, the policies of invigorating the economy and opening to the outside may have certain negative effects, and we need to be aware of that. But we can cope with that; it is nothing serious. This is because from the political point of view, our socialist state apparatus can safeguard the socialist system. And from the economic point of view, our socialist economy already has a solid basis in industry, agriculture, commerce and other sectors. That is how we look upon the possible negative effects of our policy.

Our reform is an experiment not only for China but also for the rest of the world. We believe the experiment will succeed. If it does, our experience may be useful to the cause of world socialism and to other developing countries. Of course, we do not mean that other countries should copy our example. Our principle is that we should integrate Marxism with Chinese practice and blaze a path of our own. That is what we call building socialism with Chinese characteristics.

(Excerpt from a talk with President Julius Kambarage Nyerere of the United Republic of Tanzania.)

REFORM IS THE ONLY WAY FOR CHINA TO DEVELOP ITS PRODUCTIVE FORCES

August 28, 1985

We did a great deal of work between 1949, when the People's Republic of China was founded, and 1976, when Chairman Mao Zedong passed away. We were particularly successful during the period of transition from new-democratic revolution to socialist revolution, in which we carried out agrarian reform and then, in the period of the First Five-Year Plan [1953-1957], engaged in large-scale industrialization and completed the socialist transformation of agriculture, handicrafts and capitalist industry and commerce.

We began to experience some trouble in 1957, when "Left" ideology appeared. It was necessary for us to combat bourgeois Rightists, but we went too far. In 1958 the spread of "Left" thinking led to the Great Leap Forward and the movement [to establish people's communes](#). That was a serious mistake, and we suffered because of it. During the three years of economic difficulty from 1959 through 1961, industrial and agricultural output dropped, so that commodities were in short supply. The people didn't have enough to eat, and their enthusiasm was greatly dampened. At that time our Party and Chairman Mao Zedong enjoyed high prestige acquired through long years of struggle, and we explained to the people frankly why the situation was so difficult. We abandoned the slogan of the Great Leap Forward and adopted more realistic policies and measures instead. The year 1962 saw the beginning of recovery, and in 1963 and 1964 things were looking up, but our guiding ideology still contained remnants of "Left" thinking.

In 1965 it was said that certain persons who were in power in the Party were taking the capitalist road. Then came the "cultural revolution", in which the "Left" ideology was carried to its extreme and the ultra-Left trend of thought became rampant. The "cultural revolution" actually began in 1965, but it was officially declared only a year later. It lasted a whole decade, from 1966 through 1976, during which time almost all the veteran cadres who formed the backbone of the Party were brought down. It was they who were made the targets of the "cultural revolution".

After the downfall of the Gang of Four, we began to set things to rights, that is, to correct the ultra-Left trend of thought. But we still maintained that it was necessary to uphold Marxism-Leninism and Mao Zedong Thought. When we met in 1981, I talked about keeping to the socialist road, upholding the people's democratic dictatorship, upholding leadership by the Communist Party and upholding Marxism-Leninism and Mao Zedong Thought. Now we call these the [Four Cardinal Principles](#). If we do not uphold them in our effort to correct ultra-Left thinking, we shall end up "correcting" Marxism-Leninism and socialism.

We summed up our experience in building socialism over the past few decades. We had not been quite clear about what socialism is and what Marxism is. Another term for Marxism is communism. It is for the realization of communism that we have struggled for so many years. We believe in communism, and our ideal is to bring it into being. In our darkest days we were sustained by the ideal of communism. It was for the realization of this ideal that countless people laid down their lives. A Communist society is one in which there is no exploitation of man by man, there is great material abundance and the principle of from each according to his ability, to each according to his needs is applied. It is impossible to apply that principle without overwhelming material wealth. In order to realize communism, we have to accomplish the tasks set in the socialist stage. They are legion, but the fundamental one is to develop the productive forces so as to demonstrate the superiority of socialism over capitalism and provide the material basis for communism. For a long time we neglected the development of the productive forces of the socialist society. From 1957 on they grew at a snail's pace. In the countryside, after ten years -- that is, in 1966 -- the peasants' income had risen only very slightly. Although peasants in some areas were better off, those in many other areas still lived in poverty. Of course, even that was progress, compared with the old days. Still, it was far from a socialist standard of living. During the "cultural revolution" things went from bad to worse.

By setting things to rights, we mean developing the productive forces while upholding the Four Cardinal Principles. To develop the productive forces, we have to reform the economic structure and open to the outside world. After the Third Plenary Session of the Eleventh Central Committee we began our reform step by step, starting with the countryside. The rural reform has achieved good results, and there has been a noticeable change in the countryside. Drawing on our successful experience in rural reform, we embarked on urban reform. Urban reform, a comprehensive undertaking involving all sectors, has been going on for a year now, ever since the second half of last year. Since it is much more complicated than rural economic reform, mistakes and risks are

unavoidable, and that's something we are quite aware of. But economic reform is the only way to develop the productive forces. We have full confidence in urban reform, although it will take three to five years to demonstrate the correctness of our policies.

In the course of reform it is very important for us to maintain our socialist orientation. We are trying to achieve modernization in industry, agriculture, national defence and science and technology. But in front of the word "modernization" is a modifier, "socialist", making it the "four socialist modernizations". The policies of invigorating our domestic economy and opening to the outside world are being carried out in accordance with the principles of socialism. Socialism has two major requirements. First, its economy must be dominated by public ownership, and second, there must be no polarization.

Public ownership may consist of both ownership by the entire people and ownership by the collective. The publicly owned sector of our economy accounts for more than 90 per cent of the total. At the same time, we allow a small private sector to develop, we absorb foreign capital and introduce advanced technology, we encourage Chinese and foreign enterprises to establish joint and cooperative ventures and we even encourage foreigners to set up wholly owned factories in China. All that will serve as a supplement to the socialist economy.

From such ventures workers get wages and the state collects taxes, and part of the income of the joint and cooperative ventures goes to the socialist sector. An even more important aspect of all these ventures is that from them we can learn managerial skills and advanced technology that will help us develop our socialist economy. This cannot and will not undermine the socialist economy. As of now, there has been only limited foreign investment, far less than we feel we need.

As to the requirement that there must be no polarization, we have given much thought to this question in the course of formulating and implementing our policies. If there is polarization, the reform will have been a failure. Is it possible that a new bourgeoisie will emerge? A handful of bourgeois elements may appear, but they will not form a class.

In short, our reform requires that we keep public ownership predominant and guard against polarization. In the last four years we have been proceeding along these lines. That is, we have been keeping to socialism.

Let me add that our socialist state apparatus is so powerful that it can intervene to correct any deviations. To be sure, the open policy entails risks and may bring into China some decadent bourgeois things. But with our socialist policies and state apparatus, we shall be able to cope with them. So there is nothing to fear.

Our comrades have published a collection of some of my speeches, entitled [Build Socialism with Chinese Characteristics](#), which includes, for instance, my opening speech at the Twelfth National Party Congress. I don't know if you have read it. What, after all, is socialism? The Soviet Union has been building socialism for so many years and yet is

still not quite clear what it is. Perhaps Lenin had a good idea when he adopted the [New Economic Policy](#). But as time went on, the Soviet pattern became ossified. We were victorious in the Chinese revolution precisely because we applied the universal principles of Marxism-Leninism to our own realities.

In building socialism we have had both positive and negative experiences, and they are equally useful to us. I hope you will particularly study our ``Left" errors. History bears witness to the losses we have suffered on account of those errors. Being totally dedicated to the revolution, we are liable to be too impetuous. It is true that we have good intentions, that we are eager to see the realization of communism at an early date. But often our very eagerness has prevented us from making a sober analysis of subjective and objective conditions, and we have therefore acted in contradiction to the laws governing the development of the objective world. In the past China made the mistake of trying to plunge ahead too fast. We hope you will give special consideration to our negative experiences. Of course one can learn from the experience of other countries, but one must never copy everything they have done.

(Excerpt from a talk with Robert Mugabe, Prime Minister of Zimbabwe and President of the Zimbabwe African National Union (Patriotic Front).)

SPEECH AT THE NATIONAL CONFERENCE OF THE COMMUNIST PARTY OF CHINA

September 23, 1985

Comrades,

This National Conference has been a very good one. It has successfully accomplished the scheduled tasks. Now I should like to speak on four points.

First, about the general situation and the reform.

As is clear to everyone, the period of almost seven years since the Third Plenary Session of the Eleventh Central Committee has been a crucial one and one of the best since the founding of the People's Republic. It has not been easy to make it so. We have done mainly two things: we have set wrong things right, and we have launched the comprehensive reform.

For many years we suffered badly from one major error: after the socialist transformation of the ownership of the means of production had been basically accomplished, we still took class struggle as the key link and neglected to develop the productive forces. The ``cultural revolution" carried this tendency to the extreme. Since the Third Plenary Session of the Eleventh Central Committee, the Party has shifted the focus of all its work to the drive for socialist modernization and, while adhering to the [Four Cardinal Principles](#), has concentrated on developing the productive forces. That was the most

important thing we did to set things right. The good situation we have today would not have come about if we had not thoroughly corrected the ``Left" mistakes and resolutely shifted the focus of our work. At the same time, if we had not conscientiously adhered to the four principles, we would not have been able to maintain political stability and unity, and we would even have gone from correcting ``Left" mistakes to ``correcting" socialism and Marxism-Leninism. And then the good situation we have today would not have come about either.

The issue of reform was already raised at the Third Plenary Session of the Eleventh Central Committee. When the reform first started in the countryside, people said all sorts of things about it. But after three years, when many problems that had arisen in practice had been solved and good results had been achieved, there was more agreement about it. Of course new problems will crop up and have to be tackled. Since the Third Plenary Session of the Twelfth Central Committee, reform has focused on the cities. After years of preparation, and on the basis of the success of the reform in the rural areas, we have gradually undertaken a comprehensive reform of the economic structure. The reform has stimulated the development of the productive forces and has resulted in a series of profound changes in economic life, social life, people's work style and their mentality. 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.

In the reform we have consistently followed two fundamental principles. One is the predominance of the socialist public sector of the economy; the other is common prosperity. The utilization of foreign investment capital in a planned way and the promotion of a degree of individual economy are both serving the development of the socialist economy as a whole. It is precisely for the purpose of enabling more and more people to become prosperous until all are prosperous that some areas and some people are encouraged to do so first. The living standards of the people, with a few exceptions, have improved to varying degrees. Naturally, some negative phenomena are bound to appear in the process of reform. As long as we face them squarely and take firm steps to deal with them, it will not be difficult to solve these problems.

The all-round reform of our economic structure has just begun. The general orientation and principles are already established, but we still have to work out specific rules and regulations by trial and error. While trying to identify and tackle problems early, we must seize the opportunity of the moment and vigorously explore new possibilities, striving to complete the reform before too long. It is my belief that no matter how many difficulties may arise, anything that is in the fundamental interest of the vast majority of the people and is supported by the masses will succeed.

Second, about the Seventh Five-Year Plan (1986-1990).

The Proposal for the Seventh Five-Year Plan, which has been adopted by this conference, is a good document setting forth correct principles and policies and realistic targets.

It is projected that during the period of the plan the annual growth rate of the total value of industrial and agricultural output will be about 7 per cent, a figure on which the Standing Committee of the Political Bureau has unanimously agreed, and which may be exceeded in practice. That growth rate cannot be considered low. If the growth rate were too high, it would create many problems that would have a negative effect on the reform and on social conduct. It is better to be prudent. We must control the scale of investment in fixed assets and see that capital construction is not over-extended. To guarantee the planned growth rate, we must manage production well, ensure quality, and seek economic and social returns.

The period of the Seventh Five-Year Plan is a very important one. If at the end of these five years the reform has been basically completed and the economy is developing in a sound, steady, balanced way, then we are sure to meet the targets set by the Twelfth National Party Congress for the end of the century.

People are saying that notable changes have taken place in China. I said to some foreign guests recently that these were only small changes. When we have quadrupled the gross value of our annual industrial and agricultural output and are comparatively prosperous, we can say there have been bigger changes. By the middle of the next century, when we approach the level of the developed countries, then there will have been really great changes. At that time the strength of China and its role in the world will be quite different. We shall be able to make greater contributions to mankind.

Third, about a socialist society with an advanced level of culture and ideology.

The question of building a socialist society that is culturally and ideologically advanced was raised long ago. The central and local authorities and the army have done a great deal of work in this regard. In particular, a large number of advanced persons have emerged from among the masses, and that has had a very favourable impact on society. However, considering the country as a whole, we must admit that so far the results of our work are not very satisfactory, mainly because it has not had the serious attention of the entire Party membership. We are working hard to build socialism not only because socialism provides conditions for faster development of the productive forces than capitalism, but also because only socialism can eliminate the greed, corruption and injustice that are inherent in capitalism and other systems of exploitation.

In recent years production has gone up, but the pernicious influence of capitalism and feudalism has not been reduced to a minimum. Instead, some evil things that had long been extinct after liberation have come to life again. We must be determined to change this situation as soon as possible, or how can the advantages of socialism be brought into full play? How can we effectively educate our people, especially the future generations? Material progress will suffer delays and setbacks unless we promote cultural and ethical progress as well. We can never succeed in revolution and construction if we rely on material conditions alone. In the past, no matter how small and weak our Party was, and no matter what difficulties it faced, we always maintained great combat effectiveness thanks to our faith in Marxism and communism. Because we shared common ideals, we

had strict discipline. That is our real strength today as it has been in the past and will be in the future. Some comrades no longer have a clear understanding of this truth. So it is hard for them to pay close attention to building a society that is advanced culturally and ethically.

To build such a society we must first concentrate on bringing about a fundamental improvement in Party conduct and in general social conduct.

Improving Party conduct is the key to improving general social conduct. In consolidating the Party we must carry out the decision of the Second Plenary Session of the Twelfth Central Committee and succeed in all four tasks: achieving unity in thinking, improving conduct, strengthening discipline and purifying the Party organization. The Party Constitution contains clear provisions in this regard. Every Party organization must ask its members to measure themselves against each of the articles in the Constitution and to conduct self-criticism and criticism among themselves, and every Party organization must take disciplinary action when necessary. If all Party members set a good example, things will become easier.

The improvement of general social conduct must be accomplished through education, and education must conform to realities. To overcome major ideological weaknesses that are found among some cadres and other people and that affect social conduct, we must carry out in-depth investigations and assign proper people to conduct painstaking and convincing education. Oversimplified, one-sided or arbitrary arguments will not serve the purpose. Also, leading comrades at various levels must constantly explain the practical problems that affect people's everyday lives and the policy issues in which the masses show an interest. They should give facts and tell the people how things stand and what efforts the Party and government are making to solve the problems. In addition, they must act promptly to remedy situations about which the people justly complain. Only when the masses see concrete evidence that the Party and socialism are good will our teachings about ideals, discipline, communist ideology and patriotism be effective.

We must strengthen ideological and political work, reinforce the ranks of cadres in this field and do nothing to weaken them. At the same time, we should continue to guard against and crack down on serious crime and to prohibit all decadent practices that undermine standards of social conduct. In their economic activities and administrative and judicial work, enterprises and institutions must above all seek people's trust. They absolutely must not harm the people or extort money from them.

Ideological, cultural, educational and public health departments should make social benefit the sole criterion for their activities, and so should the enterprises affiliated with them. People engaged in ideological and cultural work should create more fine intellectual products, and the production, importation and circulation of undesirable ones should be resolutely banned. We must firmly oppose propaganda in favour of bourgeois liberalization, that is, in favour of the capitalist road. It goes without saying, however, that we should follow the policy of "letting a hundred flowers blossom and a hundred schools of thought contend" and uphold the freedoms guaranteed by the Constitution and

laws of the state. With regard to erroneous ideological tendencies, we should follow the policy of persuasion and education and refrain from political movements and "mass criticism". We must take disciplinary action against those Party members who refuse to correct their errors, but in doing so we must not repeat the "Left" mistakes of resorting to summary measures and subjecting too many people to criticism.

If we accomplish all these tasks, we shall bring about a fundamental improvement in standards of social conduct.

Fourth, about the succession of new cadres to posts held by old ones and about theoretical study.

The process of new cadres succeeding old and cooperating with them has been going fairly well over the past few years. A number of outstanding persons who are in the prime of life and have both ability and political integrity have been promoted to leading posts in both central and local departments of the Party, government and army. A satisfactory job has been done of replacing old members with new ones in the three central leading bodies. As a result, the average age of Central Committee members, in particular, has been significantly reduced. A number of veteran cadres have taken the lead in abolishing the system of life tenure in leading posts, furthering the reform of the cadre system. This deserves special mention in the annals of our Party.

The members newly elected to the Central Committee and the ministers and provincial Party committee secretaries who have been appointed recently are comparatively young. They are generally in their fifties, with some just over forty. In the early days of the People's Republic, many of the ministers and provincial Party committee secretaries were of that age. What is most important for the young and middle-aged cadres when they take over from the old is to emulate their heroic spirit of revolutionary struggle. It is my hope that through your efforts the Party's fine traditions and work style will be carried forward. I once said that youth and professional competence alone are not enough. To this must be added a fine work style. I hope you will serve the people wholeheartedly, go among the masses and listen to their opinions, dare to speak the truth and oppose falsehood, not seek undeserved credit but perform real services, make a clear distinction between public and private interests, refrain from seeking personal favour at the expense of principle and appoint people on their merits rather than by favouritism.

We often say that having new cadres succeed old provides the organizational guarantee for the continuity of our Party's policies. What does this continuity actually mean? It means, of course, the continuity of the domestic and foreign policies of independence, democracy, legality, opening to the outside world and invigorating the domestic economy, policies which we will by no means change. And all these policies are based on the Four Cardinal Principles. There is even less possibility of our changing or deviating from those principles. If we did, our society would be plunged into chaos. Stability and unity would be out of the question, and the construction, reform and rejuvenation of China would become no more than empty words.

Now I should like to propose a new requirement, not only for new cadres but for old ones as well: the study of Marxist theory. Some comrades may say: "We are busy now with construction, and what we need most is professional knowledge and managerial skills. What's the immediate use of studying Marxist theory?" Comrades, this is a misconception. Marxist theory is not a dogma but a guide to action. It calls on people to proceed from its basic principles and methodology and apply them to changing conditions so as to devise solutions to new problems. By this process, Marxist theory itself is further developed. Didn't the Russians succeed in their October Revolution and we in our revolution precisely because we both applied Marxist methods and principles? Times have changed and our tasks have changed. We are now building socialism with Chinese characteristics. There is indeed much new knowledge we need to master, but that makes it all the more necessary for us to study basic Marxist theory in light of the new situation. Because that is the only way we can become better able to apply the basic principles and methods of Marxism to the solution of the fundamental questions arising in the political, economic, social and cultural fields. And that is the only way we can advance both our cause and the theory of Marxism and also prevent comrades, particularly the newly promoted young and middle-aged comrades, from losing their bearings in the increasingly complex struggle. I therefore hope that the Central Committee will formulate a workable decision that will enable Party cadres at all levels, but especially leading cadres, to have some time in their busy schedules for study. That will enable them to become well versed in basic Marxist theory, and thus they will adhere more strictly to principles and work more systematically and with greater foresight and creativity. Only thus can our Party keep to the socialist road and go on building socialism with Chinese characteristics until we reach our ultimate goal -- communism.

THERE IS NO FUNDAMENTAL CONTRADICTION BETWEEN SOCIALISM AND A MARKET ECONOMY

October 23, 1985

Henry Grunwald (Editor-in-chief of Time): The Chinese Communist Party has always told people to be selfless and serve the people. In the current economic reform you are telling people to become prosperous, but some cases of graft and corruption and abuse of power have cropped up. What measures are you going to take to solve these problems?

Deng Xiaoping: We shall solve them mainly by two means -- education and law. These problems cannot be solved overnight. Nor can they be tackled effectively with a few words by a few people. But we are confident that our Party and our country are capable of gradually reducing these negative phenomena and eventually eliminating them.

Grunwald: Are these phenomena indicative of a latent contradiction that is hard to resolve -- a contradiction between a market economy and the socialist system?

Deng: There is no fundamental contradiction between socialism and a market economy. The problem is how to develop the productive forces more effectively. We used to have a

planned economy, but our experience over the years has proved that having a totally planned economy hampers the development of the productive forces to a certain extent. If we combine a planned economy with a market economy, we shall be in a better position to liberate the productive forces and speed up economic growth.

Since [the Third Plenary Session of our Party's Eleventh Central Committee](#), we have consistently stressed the importance of upholding the [Four Cardinal Principles](#), especially the principle of keeping to the socialist system. If we are to keep to the socialist system, it is essential for us to develop the productive forces. For a long time we failed to handle this question satisfactorily. In the final analysis, the superiority of socialism should be demonstrated in a greater development of the productive forces. The experience we have gained over the years shows that with the former economic structure we cannot develop the productive forces. That is why we have been drawing on some useful capitalist methods. It is clear now that the right approach is to open to the outside world, combine a planned economy with a market economy and introduce structural reforms. Does this run counter to the principles of socialism? No, because in the course of reform we shall make sure of two things: one is that the public sector of the economy is always predominant; the other is that in developing the economy we seek common prosperity, always trying to avoid polarization. The policies of using foreign funds and allowing the private sector to expand will not weaken the predominant position of the public sector, which is a basic feature of the economy as a whole. On the contrary, those policies are intended, in the last analysis, to develop the productive forces more vigorously and to strengthen the public sector. So long as the public sector plays a predominant role in China's economy, polarization can be avoided. Of course, some regions and some people may prosper before others do, and then they can help other regions and people to gradually do the same. I am convinced that the negative phenomena that can now be found in society will gradually decrease and eventually disappear as the economy grows, as our scientific, cultural and educational levels rise and as democracy and the legal system are strengthened.

In short, the overriding task in China today is to throw ourselves heart and soul into the modernization drive. While giving play to the advantages inherent in socialism, we are also employing some capitalist methods -- but only as methods of accelerating the growth of the productive forces. It is true that some negative things have appeared in the process, but what is more important is the gratifying progress we have been able to achieve by initiating these reforms and following this road. China has no alternative but to follow this road. It is the only road to prosperity.

Donald McHenry (Professor at the Institute of Diplomacy of Georgetown University and former U.S. representative to the United Nations): Are you satisfied with the changes in the present governing bodies and leaders? Do you believe they will continue the policy of reform?

Deng: I should like to call your attention to our recent Party Conference. Two important measures were adopted at that conference. First, after a review of the experience of the past seven years, we set an appropriate growth rate for the economy. We also adopted the

Seventh Five-Year Plan [1986-1990], which was designed to create the necessary conditions for prolonged, stable development in this century and the next. Second, we made organizational changes to ensure the continuity of policy; that is, the average age of leading cadres began to be lowered, starting with the Central Committee and the central government organs.

The continuity of our policy depends mainly on two things. First, on whether the policy itself is right, and this is the most important factor. Why should we continue the policy if it is not right? If the policy is right and can promote the development of the productive forces in a socialist society and gradually raise the people's living standards, the policy itself ensures its continuity. Second, it depends on those who execute the policy. In both the central and local governments there should be energetic people who dare to blaze new trails. After the Third Plenary Session of the Eleventh Central Committee, we began to lower the average age of cadres. And of course, we have also been trying to make sure that they are more revolutionary, better educated and more professionally competent. It was the Twelfth National Party Congress in 1982 that decided to convene the recent Party Conference. As the average age of members of the Party's leading bodies was too high, it was decided that before the next congress [in 1987] a Party conference would be held at which that age could be lowered.

Karsten Prager (Editor of the international edition of Time): I should like to ask a personal question. In your long revolutionary career you have changed the destiny and orientation of the Chinese people over and over again. How do you wish them to remember you when you are gone?

Deng: I hope they will never give me too much prominence. What I have done represents the aspirations of the Chinese people and the Chinese Communists, that's all. And the Party's policies were worked out by the collective. Before the "cultural revolution" I was also one of the principal leaders of the Party, so I should also be held responsible for some of the mistakes made then. After all, no man on earth is without fault.

(Excerpt from an interview with a delegation, including senior American entrepreneurs, organized by Time Inc.)

**TALK AT A MEETING OF THE STANDING COMMITTEE OF THE
POLITICAL
BUREAU OF THE CENTRAL COMMITTEE**
January 17, 1986

To promote ethical progress and raise standards of conduct both inside and outside the Party, we must redouble our efforts and not relax them for a single day. And we should start by dealing with specific cases of wrongdoing. We should move promptly to handle the cases of economic criminals, of people who in their dealings abroad have forfeited national and personal dignity and of persons who have served as enemy agents. The great

majority of high-ranking cadres and their children are good. However, some of the children have divulged economic information, become involved in intelligence networks or sold information and documents. We should concentrate on investigating typical cases of lawbreaking by the children of senior cadres, senior cadres themselves and well-known public figures, because crimes committed by these people cause the most serious damage. Dealing with these cases will have the most effect; it will show our determination to surmount all obstacles in strengthening the legal system and promoting ethical progress.

It doesn't matter much if some small fry slip through the net; of course, I don't mean that we can lie back and take it easy on that account. But if we do a thorough job with these cases, we shall have an excellent chance of success; otherwise, it's hopeless. High-ranking cadres whose family members have been involved in criminal activities should take a firm, clear-cut attitude towards those activities and resolutely support the judicial organs that are in charge of their cases. Anyone who has engaged in criminal activities must be dealt with in accordance with Party discipline and state law. Vigorous action must be taken, and we can't be too tender-hearted. Take the [case of Yang Xiaomin in Qinghai Province](#) for example. For years a series of provincial Party secretaries took no action on it. Now it has been dealt with at last, and that is good. Dealing with that kind of case can have a great impact on society.

The death penalty cannot be abolished, and some criminals must be sentenced to death. Recently I have read some relevant documents, from which I understand there are a great many habitual criminals who, on being released after a few years' remoulding through forced labour, resume their criminal activities, each time becoming more skilful and more experienced in coping with the public security and judicial organs. Why don't we have some of them executed according to law? Why don't we punish severely, according to law, people who traffic in women and children or who organize reactionary secret societies, and some of those habitual criminals who refuse to reform despite repeated attempts to educate them? Some of them must be executed, but of course we have to be very careful in such matters. Those who have merely made mistakes in the political and ideological sphere but have not violated state law should not be given any criminal sanctions, let alone the death penalty. But some of the perpetrators of serious economic or other crimes must be executed as required by law.

Generally speaking, the problem now is that we are too soft on criminals. As a matter of fact, execution is one of the indispensable means of education. [At this point Comrade [Chen Yun](#) remarked: "Executing some of them can help save many cadres. As the saying goes, execute one as a warning to a hundred."] Nowadays the death penalty is generally reserved for murderers only, but how about those who have committed other serious crimes? In Guangdong Province prostitution is rampant -- why don't we crack down on the worst proprietors of brothels? The ones who refuse to reform after being jailed and released several times should be severely punished as required by law. Some government functionaries have committed economic crimes so serious that they have caused the state to lose several million, or even ten million, yuan. Why can't they be sentenced to death in accordance with the Criminal Law? For example, in 1952 two persons were executed,

one by the name of Liu Qingshan and another by the name of [Zhang Zishan](#), and that had a great impact on the society as a whole. Things are different now, and the effect would not be so great. To show our determination, we would have to execute several more than two.

The Secretariat has done an excellent job of improving Party conduct and general social conduct. I suggest that it spend two more years on this work to achieve substantial results. Success in this area will advance reform and construction. With all the resolve in the world, it will still take at least ten years of effort to restore Party and social conduct to the standards of the best period of the 1950s. The political line and the various policies set forth by the Central Committee are correct, and we must continue to carry out the reform and to open to the outside world. But there are many failings in our management and other work, and some Party cadres' style of work and behaviour are shockingly bad. So in the movement to improve Party conduct, we should check up on Party members and expel some of them. Improvement in this area will demand at least ten years' painstaking work, for it takes that long to educate people. The ten-year "cultural revolution" had a pernicious influence on the younger generation, and it is precisely owing to that influence that a small number of students have recently stirred up trouble.

In the effort to rectify Party conduct and raise general social standards in the past two years people have often been irresolute in many ways. For example, even when handling a very clear case, they have found it necessary to run around investigating, getting approval from this one and that, and then repeating the whole process, with the result that for years the case was never settled. As soon as we have ascertained the facts and got to the bottom of a case, we should pass judgement on it. Here too we need resolute and prompt action.

We should redouble our efforts, beginning with the current [Meeting of Cadres of the Central Organs](#). The meeting has been going on for less than ten days, but it has already received warm response from all quarters. The speeches delivered at that meeting by several comrades should be published as the Central Committee's Document No. 1 for 1986.

Our original idea was right: in our efforts to realize the modernization programme we must attend to two things and not just one. By this I mean that we must promote economic development and at the same time build a legal system. The Party has its discipline and the state has its law. Why is the principle of upholding the people's democratic dictatorship included in the [Four Cardinal Principles](#)? It is because if we practise democracy within the ranks of the people without exercising dictatorship over the saboteurs, we cannot maintain political stability and unity or succeed in the modernization drive.

Starting from this year, we should work really hard for two more years. We have been fairly successful in economic development, and the economic situation is gratifying. This is quite an achievement for our country. But if standards of social conduct are deteriorating, 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 run rampant. That's why we cannot do without the Four Cardinal Principles, without dictatorship over the saboteurs. This dictatorship can ensure the smooth progress of the drive for socialist modernization and deal effectively with persons whose actions undermine our construction work.

I agree with the way the Secretariat has been doing this work.

LET THE FACTS SPEAK FOR THEMSELVES

March 28, 1986

Our reform began in the countryside, and it has achieved initial success there. However, some rural areas are more developed than others. About 10 per cent of them, mainly the arid areas in the Northwest and some areas in the Southwest, have not yet lifted themselves out of poverty. It is our policy to let some people and some regions prosper before others, so that they can bring along the backward regions. The advanced regions have the obligation to help the backward. We keep to the socialist road in order to attain the ultimate goal of common prosperity, but it is impossible for all regions to develop at the same pace. We used to practise egalitarianism, with everyone "eating from the same big pot". In fact, that practice meant common backwardness and poverty, which caused us much suffering. The reform is designed, first and foremost, to break with egalitarianism, with the practice of having everyone "eat from the same big pot". It seems to me that we are taking the right path.

Some people don't like this policy. Our approach is to allow people to hold differing views and to let the facts speak for themselves. In the first year or two, people in some rural areas ignored the reform. They distrusted it and refused to carry it out. For one or two years they looked on from the sidelines. Then, when they saw that things were getting better in areas where the reform had been carried out, they began to follow suit. Here I am referring mainly to some leading cadres, not to the peasant masses. So in the beginning not everyone understood the policy. It will be accepted universally only when facts have shown it to be correct.

Right now we are carrying out all-round reform with the main emphasis on restructuring the economy in the cities. Some people are skeptical or worried, as was the case in rural reform at first. They want to wait and see. We allow them to be skeptical, because that is only normal. We are undertaking a tremendous endeavour, a great experiment, a revolution -- how could there not be skeptics? Even for the champions of reform, it is good to be a bit skeptical. Our approach here is the same: to let the facts speak for themselves; to let the progress of reform convince the skeptics.

The success of our modernization drive depends on two factors. The first is domestic: our adherence to the present policies of reform and opening to the outside world. If the

reform is successful, it will lay a solid foundation for sustained development over the next few decades. The other is international: a lasting peaceful environment. We follow a foreign policy of opposing hegemonism and preserving world peace. We support those who help maintain peace and oppose those who make war and who seek hegemony. We are improving our relations with both the United States and the Soviet Union, the two superpowers, but we criticize them and vote against them if they do anything wrong. We don't ride in anyone else's car. Our independent foreign policy helps greatly to preserve world peace. The most important thing is that China's present policies, both domestic and foreign, must not be changed. I believe that if we keep to the present policies for several decades, China will develop.

We are working for both material and ethical progress. Our policy of opening to the outside world will inevitably bring into China some evil things that will affect our people. If we say the policy involves risks, this is the greatest one. We shall solve this problem by means of law and education. If we work hard, we shall find a solution. The people detest graft, bribery, theft and other dirty practices. I have no doubt that if we rely on the strength of the people, we shall be able to gradually eliminate those practices.

(Excerpt from a talk with Prime Minister David Lange of New Zealand.)

KEEPING TO SOCIALISM AND THE POLICY OF PEACE

April 4, 1986

It is almost 37 years since the founding of the People's Republic of China in 1949. During that time China has followed a tortuous road with alternating periods of smooth development and setbacks. After the "cultural revolution" we made a sober appraisal of the situation and thought over the course we were going to follow from then on. The turning point was marked by the Third Plenary Session of [our Party's Eleventh Central Committee](#), which defined a series of new principles and policies.

In carrying out the reform, opening to the outside world and invigorating the domestic economy, we are keeping to the socialist road. It is the task of socialism to develop the productive forces, build up the strength of the socialist state and gradually raise the people's living standards, thus laying the foundation for the realization of communism in the future. For a very long time we neglected the need to develop the productive forces during the stage of socialism. Now, after analysing our experience, we have decided to abandon the closed-door policy and open to the outside world, and to invigorate the domestic economy, so as to stimulate the initiative of the whole nation. Otherwise, it will be impossible to develop the productive forces. If we practise egalitarianism -- what we call letting everyone "eat from the same big pot", it will never be possible to raise the people's standard of living and stimulate their initiative. All the measures we are taking are designed to expand the productive forces in the interest of socialism.

When the policies of reform and opening to the outside world were adopted at the Third Plenary Session of the Eleventh Central Committee of our Party, people all over the world, particularly in the Western countries, thought that we were going to adopt capitalism, or that our policies would ultimately lead to capitalism. But witnessing the realities of reform over the past few years, they have come to realize that we are keeping to socialism. Keeping to socialism is of vital importance for China. If China, with its one billion people, took the capitalist road, it would be a disaster for the world. It would be a retrogression of history, a retrogression of many years. If China, with its one billion people, abandoned the policy of peace and opposition to hegemonism or if, as the economy developed, it sought hegemony, that would also be a disaster for the world, a retrogression of history. But if China, with its one billion people, keeps to socialism and adheres to the policy of peace, it will be following the right course and will be able to make greater contributions to humanity.

(Excerpt from a talk with Radovan Vljakovic, President of the Presidium of the Socialist Federal Republic of Yugoslavia.)

REMARKS ON THE DOMESTIC ECONOMIC SITUATION

June 10, 1986

In general, the present economic situation is good. But how about the future? What obstacles are we going to run into? As I see it, there are two or three problems that might hold up the growth of our economy, if we fail to solve them.

The first is agriculture, which is essentially a problem of grain. If we have a setback in agriculture, it will be impossible for us to recover in just three to five years. Let's make a rough calculation: if in the year 2000 there are 1.2 billion people and each person consumes 400 kilograms of grain, we shall have to produce 480 million tons that year. To reach this goal, we shall have to increase output by more than 5 million tons annually from now on. But right now grain production is increasing slowly. An expert has predicted that if there is only a modest investment in rural capital construction and productivity remains low, agriculture will enter a new period of stagnation. This is something we have to watch out for. In managing the economy as a whole, we should give agriculture an appropriate priority, always bearing in mind our general goal of producing 480 million tons of grain in the year 2000. We should try to avoid having once again to import large amounts of grain a few years from now, because that will retard the growth of the economy.

The second problem is foreign exchange. Will the growth of the economy be impeded by a shortage of foreign exchange and a deficit in foreign trade? China has many things to export. We should think about ways to export them to world markets, including further expanding the Hong Kong, Southeast Asian and Japanese markets. We should also consider how to raise the quality of products. I said last year that we should not just emphasize quantity; we should put quality above everything else. The key to ensuring

good sales of our exports is to improve their quality. Without high quality, they cannot be competitive on the world market. It is of strategic importance to reduce the deficit in foreign trade year by year. If we don't do that, it will be impossible for us to keep our economy developing steadily for a long time to come; it will eventually go into decline.

The third problem is political restructuring. As it stands, our political structure is not adapted to the current situation. Political restructuring should be included in the reform -- indeed, it should be regarded as the hallmark of progress in the reform as a whole. We must streamline the administration, delegate real powers to lower levels and broaden the scope of socialist democracy, so as to bring into play the initiative of the masses and the grass-roots organizations. At present, the number of organizations, instead of being reduced, has actually increased. Many companies have been established that are actually government organs. Through these companies people at higher levels have taken back the powers already delegated to lower levels. The more organs you have, the more staff members there are, and they all have to find something to do. They keep a tight grip on power, making it impossible for the lower levels to act on their own. As a result, the initiative of enterprises withers. And that is one reason why the economy has been growing only slowly in the first half of this year. We have to make a careful analysis to find out how to go about political reform. Early in 1980 it was suggested that we reform the political structure, but no concrete measures to do so were worked out. Now it is time for us to place political reform on the agenda. Otherwise, organizational overlapping, overstaffing, bureaucratism, sluggishness, endless disputes over trifles and the re-possession of powers devolved to lower levels will retard economic restructuring and economic growth.

I think the reform is proceeding smoothly in general. Through it we shall create the necessary conditions for sustained economic growth. We are now advancing with a heavy load on our backs. The burden of tens of billions of yuan's worth of price subsidies provided annually by the state is getting heavier all the time. Sooner or later we must find a systematic, appropriate solution to this problem. Unless enterprises are given authority, they will have no power to make decisions and hence have no obligations to fulfil; it is the upper levels that will be held responsible for their success or failure. Under such circumstances, how can our work be done well? And how can the initiative of the masses be brought into play? So the current reform must be carried on.

(Addressed to leading members of the Central Committee of the Communist Party of China who had made a report on the subject.)

FOR THE GREAT UNITY OF THE ENTIRE CHINESE NATION

June 18, 1986

Historically speaking, [your Rong family](#) has performed meritorious service in helping to develop China's industry, thus making contributions to the nation. The growth of national industry helps to advance the progress of history, while the negative elements of

capitalism are another aspect of the story. The reunion of your family members at this time is a happy event, an expression of unity and a rehearsal for our great national reunion. We should strive for the great unity of the entire Chinese nation.

You are so capable and knowledgeable that you are in a position to make important contributions to our country. As you have many associates and friends, I hope you will tell them about our country. You can ask them to come back for a look. One visit is not enough. They will have a better understanding of China if they come several times. They will see how our country is advancing. Some conditions here are not so satisfactory at the moment. But that is nothing serious, because they will gradually improve.

The prospects for our country are bright. Our first objective is to make the nation comparatively well-off by the year 2000. We cannot set our sights too high; we have to be realistic. Being comparatively well-off doesn't mean that we shall live in affluence, but we shall live better than we do now. As China is a socialist country, our national revenue will be distributed in a way that benefits all the people. There will be neither people who are too rich nor people who are too poor, and everyone will have an easier life.

What is more important, China will become one of the few countries having a GNP of US\$1 trillion or more. When the total strength of the country is much greater, it will no longer be so difficult for us to do things. For instance, if we appropriated five per cent of GNP for education, that would come to \$50 billion, as against the present figure of seven or eight billion. If another five per cent of GNP were allocated to national defence, military expenditure would be quite a considerable figure. But we are not going to do that, because we do not participate in the arms race. A greater portion of our total revenue will be used to raise the people's living standards and promote education. With the foundation we shall have built by the end of the century, and with the efforts we shall exert in the following 30 to 50 years, the average per capita GNP will be quadrupled again. Then, I am sure, China will be more powerful than it is today, and that will be beneficial to world peace. Chinese citizens living abroad and persons of Chinese descent are welcome to take part in this promising endeavour.

We adhere to an independent foreign policy of peace and do not join any bloc. We are prepared to maintain contacts and make friends with everyone. We are against any country that practices hegemonism. We are against any country that commits aggression against others. We are fair in our words and in our deeds. This adds to China's political influence. This policy has produced good results, and we shall follow it forever.

Chinese living abroad and persons of Chinese descent are welcome to come back for a visit. For one thing, they will be able to understand our country better. For another, they will see what projects they can participate in and how they can contribute. I believe they will enthusiastically support our efforts to build the country.

(Excerpt from a talk to members of a visiting delegation of the Rong family, some from mainland China and others from the United States, Canada, Australia, the Federal Republic of Germany, Brazil, Hong Kong and Macao.)

HELP THE PEOPLE UNDERSTAND THE IMPORTANCE OF THE RULE OF LAW

June 28, 1986

While we are correcting unhealthy tendencies and cracking down on crime, we must leave matters that fall within the scope of the law to judicial institutions; it is not appropriate for the Party to concern itself with such matters. The Party should concern itself with inner-Party discipline, leaving legal problems to the state and the government. If the Party intervenes in everything, it will not help the people understand the importance of the rule of law. This is a question of the relations between the Party and the government, of the political structure of the country. I think we should raise this question at the [Thirteenth National Party Congress](#) next year and try to straighten it out.

Right now the Party is concentrating on rectifying the conduct of its own members, but at the same time we are trying to strengthen the rule of law in society at large. Our country has no tradition of observing or enforcing laws. Since the Third Plenary Session of the Eleventh Central Committee we have been working on establishing a legal system -- that is indispensable. 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. Education about the law should begin at an early age and be carried out in all our primary and secondary schools and in the society at large. In the effort to correct unhealthy tendencies, problems that fall within the scope of the law and concern society as a whole should be solved by strengthening the legal system and educating the people. We should review our experience in this respect so as to improve our work.

In addition, we should review our experience of the way in which the Party exercises leadership over the government. Since the Third Plenary Session of the Eleventh Central Committee, we have been calling for separating the functions of the Party and the government. We uphold the Party's leadership, but the problem is whether the Party is doing a good job of leading. It should give effective leadership and not intervene in too many matters. The Central Committee should take the lead in this regard. What I am proposing will not weaken the Party's leadership. On the contrary, its leadership will be weakened if it tries to take responsibility for too many areas. I'm afraid that's the truth of the matter. The last time I talked with some comrades about economic work, I called their attention to the necessity of reforming the political structure, including the need to separate the functions of the Party and the government and to delegate powers to lower levels.

I suggest that our leading comrades of the Central Committee, especially those in the Secretariat, consider this question. They might first spend a year or so making investigations, identifying the problems and drawing up a workable plan before taking any action. The reform of the political structure and the reform of the economic structure

are interdependent and should be coordinated. Without political reform, economic reform cannot succeed, because the first obstacle to be overcome is people's resistance. It is human beings who will -- or will not -- carry out the reform. For instance, we encourage devolution of powers, but other people take powers back. What can we do about it? So in the final analysis, the success of all our other reforms depends on the success of the political reform.

In the first half of this year we have scored some achievements in rectifying Party conduct. But let's not overestimate them, for they are only a beginning. When we said that we needed to spend two years concentrating on this work, we didn't mean that that would be the end of it. We only meant that we didn't necessarily need to set up a permanent body for this purpose. Our efforts to open to the outside world and invigorate the domestic economy are bound to have some undesirable side effects. If we fail to cope with them, our work will take the wrong direction. As long as we pursue the policies of opening to the outside world and invigorating the domestic economy, we shall have to continue our efforts to improve Party conduct, correct bad tendencies and crack down on crime. This is going to be a long-term task to be fulfilled throughout the period of the reform. It is the only way to ensure the correct implementation of our policies.

(Talk at a meeting of the Standing Committee of the Political Bureau of the CPC Central Committee.)

REMARKS DURING AN INSPECTION TOUR OF TIANJIN

August 19-21, 1986

During this visit to Tianjin, I should like to see your development district and have a look around the city. I'd like to see the harbour as well.

We must continue to open to the outside world. Otherwise, we shall not be able to invigorate the economy. We must never close our doors. The Development District here is very good, indeed. Since it has earned a high reputation and improved the environment for investment, foreign investors should feel confident.

You have so much wasteland between the harbour and the city proper. This is a major advantage. It seems to me that you have great potentialities. You should be more daring and work for faster development. Since some of your infrastructure here is better than that in Shanghai, you can probably do certain things more easily.

I have heard that you are ready to borrow US\$10 billion from other countries. Do you have any source of loans in mind? You can contact more countries. If other people are not afraid to lend money to us, why should we be afraid to borrow it? I am not afraid of borrowing. What danger is there if one or two places borrow \$10 billion over a period of

ten years and make effective use of the money? There will be no trouble even if it is \$20 billion!

You should study ways of channeling investment into the proper areas. The Japanese say that modernization should start with transport and telecommunications. That sounds quite sensible to me. We used to begrudge money for projects in those areas.

Since the power to administer Tianjin harbour was delegated to the local authorities two years ago, its economic efficiency has greatly improved. The people haven't changed, and neither has the land. But the reform has brought increased efficiency. This is only because the local authorities have been given power, especially the power to hire and fire personnel.

The Zhonghuanxian Road has been built so quickly! Is it because you had a contract signed for the project? Yes, you should go on with the reform and the contract system, including contracts for whole projects, for different parts of a project and for different levels of management. You should practise the responsibility system. The designer of the Zhongshanmen cloverleaf flyover did a good job. He deserves to be promoted to the rank of engineer, as an exception. Nobody should object to that. This kind of promotion is also a reform.

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. This is a point many foreigners don't seem to understand. From time to time you encourage volunteer labour -- that too is politics.

I have consistently maintained that some people and some regions should be allowed to prosper before others, always with the goal of common prosperity. If a few regions develop a little faster, they will spur the others to catch up. This is a shortcut we can take to speed up development and attain common prosperity.

It is right to place young cadres in the forefront of the modernization drive, giving them heavier responsibilities. They shouldn't simply lean on others. When you promote them after they have gained experience this way, other people will be convinced that it was the right thing to do.

When you have built more apartment houses, the people will have a better environment. When they see the changes, they will be filled with joy and confidence, and that will make it easier for you to get things done.

(Made to leading officials of Tianjin after hearing reports on conditions in the municipality. When Comrade Deng Xiaoping visited the Tianjin Economic and Technological Development District, he wrote a message: "The development district is very promising.")

REPLIES TO THE AMERICAN TV CORRESPONDENT

MIKE WALLACE

September 2, 1986

Mike Wallace: Mr. Chairman, what do you make of [Mikhail Gorbachev's recent speech in Vladivostok](#)?

Deng Xiaoping: There is something new in Gorbachev's speech in Vladivostok, and that is why we have expressed cautious welcome to what is new and positive in it. However, his remarks also show that he has not taken a big step. Soon after Gorbachev made his speech, an official from the Foreign Ministry of the Soviet Union also made a speech that was different in tone. This shows that the Soviet authorities have to decide among themselves what policies to pursue with regard to China, so we still have to wait and see.

Wallace: Have you ever met Mr. Gorbachev?

Deng: No.

Wallace: Would you like to meet him? He says he will talk at any time, at any level, about anything. Would you be prepared to meet Gorbachev at the summit?

Deng: If Gorbachev takes a solid step towards the removal of the [three major obstacles in Sino-Soviet relations](#), particularly if he urges Vietnam to end its aggression in Kampuchea and withdraw its troops from there, I for my part will be ready to meet him.

Wallace: The Vietnamese said just this morning that they would like to engage in negotiations with China to bring an end to the difficulties between Vietnam and China.

Deng: Vietnam has said that at least a hundred times. We have told them explicitly that the prerequisite is the withdrawal of all Vietnamese troops from Kampuchea. The question of Kampuchea should be settled by the four parties in Kampuchea through consultation.

Wallace: So, as far as a summit between Deng and Gorbachev is concerned, the ball is in Mr. Gorbachev's court?

Deng: He should ask Vietnam to withdraw all its troops from Kampuchea. On this question, the Soviet Union can play its part. Because without Soviet backing, the Vietnamese could not go on fighting in Kampuchea for a single day. Gorbachev evaded this question in his Vladivostok speech. That is why I say that the Soviet Union has not taken a big step towards the removal of the three major obstacles.

Wallace: It seems that Chinese relations with capitalist America are better than Chinese relations with the Soviet communists. Why is that?

Deng: China does not regard social systems as a criterion in its approach to problems. The relations between China and the United States are determined in the context of their specific conditions, and so are the relations between China and the Soviet Union.

Wallace: My producer says that I should ask you once again if you would like to meet Gorbachev.

Deng: As I have said, if the Soviet Union can contribute to the withdrawal of Vietnamese troops from Kampuchea, that will remove the main obstacle in Sino-Soviet relations. I will say it once again: the Vietnamese invasion of Kampuchea constitutes the main obstacle in Sino-Soviet relations. The stationing of troops by Vietnam in Kampuchea has actually turned Sino-Soviet relations into a hot spot. Once this problem is solved, I will be ready to meet Gorbachev. To be frank, I am over 82, already advanced in years. I have long since accomplished my historical task of making overseas visits, and I am determined not to take any more trips abroad. However, if this obstacle in Sino-Soviet relations is removed, I shall be ready to break the rule and go to any place in the Soviet Union to meet with Gorbachev. I believe a meeting like that will be of much significance to the improvement of Sino-Soviet relations and the normalization of relations between the two states.

Wallace: And what must come first, specifically?

Deng: Of the three major obstacles, the main one is Vietnamese aggression against Kampuchea, because although it is Vietnamese armed forces that are pitted against China, the hot spot, the confrontation is actually between China and the Soviet Union.

Wallace: Do you mean the Vietnamese troops in Kampuchea?

Deng: Yes.

Wallace: President and Mrs. Reagan watch this programme just about every Sunday night. And I'm sure they are going to be watching closely on the night of this broadcast. Do you have any message for President and Mrs. Reagan?

Deng: When President and Mrs. Reagan were in China on a visit, we became acquainted. We had a cordial and frank conversation. Through your channel, I should like to extend my good wishes to President and Mrs. Reagan. I hope that during President Reagan's term of office relations between our two countries will make further progress.

Wallace: What are the major issues currently dividing China and America?

Deng: There are three obstacles in Sino-Soviet relations, and there is one obstacle in Sino-U.S. relations. That is the Taiwan question, or the question of the reunification of the two sides of the Taiwan Straits. In the United States people say the U.S. takes a position of "non-involvement" in the question of China's reunification, that is, the Taiwan question. This is not true. The fact is that the United States has been involved all

along. In the 1950s, [MacArthur](#) and [Dulles](#) regarded Taiwan as an unsinkable U.S. aircraft carrier in Asia and the Pacific. The Taiwan question was therefore the most important issue in the negotiations on the establishment of diplomatic relations between China and the United States.

Wallace: Is the United States failing to live up to its commitment to China concerning U.S. relations with Taiwan?

Deng: I think the United States should take a wiser approach to this question.

Wallace: What approach?

Deng: Most regrettably, during the latter period of the Carter Administration, the U.S. Congress adopted the [Taiwan Relations Act](#), which has become an immense obstacle in Chinese-U.S. relations. As I said just now, I hope that during his term of office President Reagan will bring about further progress in relations between our two countries, including making some effort in respect of China's reunification. I believe that the United States, President Reagan in particular, can accomplish something in this connection.

Wallace: What can they do?

Deng: They can encourage and persuade Taiwan first to have "three exchanges" with us, namely, the exchange of mail, trade and air and shipping services. Contacts of this kind can help enhance mutual understanding between the two sides of the Taiwan Straits, thus creating conditions for them to proceed to discuss the question of reunification and ways to achieve it.

Wallace: What's in it for Taiwan to be reunified with the mainland?

Deng: First of all, it is a national question, a question of national sentiments. All members of the Chinese nation want to see China reunified. The present state of division is contrary to our national will. Second, so long as Taiwan is not reunified with the mainland, its status as part of Chinese territory will not be secure. No one knows when Taiwan might be taken away again. Third, in reunifying the country we shall adopt the formula of "one country, two systems", that is to say, the mainland will retain the socialist system while Taiwan will retain the capitalist system. This will bring no change to the social system in Taiwan or the way of life of the people there and will cause them no loss.

As for the contrast between the levels of development of Taiwan and the mainland, this question should be examined objectively. The difference is only temporary. As far as the mainland is concerned, there have been some mistakes and delays in our national construction during the 37 years since the founding of the People's Republic of China. But with the implementation of our present policy on the mainland, the growth rate will be rapid and the gap will be narrowed. I believe that over the next few years the growth rate on the mainland will, at the least, be no lower than that in Taiwan. The reason is very

simple. Taiwan is short of resources, while the mainland abounds in them. Taiwan has already tapped its potential, while the potential on the mainland has not yet been tapped and certainly will be soon. Besides, in terms of overall strength, the mainland is much stronger than Taiwan. So it is one-sided to compare only Taiwan's somewhat higher average income with the mainland's.

Wallace: To modernize the Chinese economy and develop your country, Chairman Deng, you said China needs Western investment. But Western investors complain that China is making it difficult to do business here: exorbitant rents for offices, too much bickering about contracts, too many special taxes, labour that is too expensive, plus corruption, kickbacks, and the Chinese bureaucrats. Are you aware of these complaints?

Deng: Yes, I am aware of these things. They do exist. As we are new to doing business with the West, it is inevitable that we shall make some mistakes. I do understand the complaints of foreign investors. No one would come here and invest unless he got a return on his investment. We are taking effective measures to change the present state of affairs. I believe that these problems can be solved gradually. But when they are solved, new problems will arise and they, too, should be solved. As leaders, we have to get a clear picture of the problems and work out measures to solve them. There is also the question of educating the cadres.

Wallace: To get rich is glorious. That declaration by Chinese leaders to their people surprises many in the capitalist world. What does that have to do with communism?

Deng: We went through the "cultural revolution". During the "cultural revolution" there was a view that poor communism was preferable to rich capitalism. After I resumed office in the central leadership in 1974 and 1975, I criticized that view. Because I did so, I was brought down again. Of course, there were other reasons too. I said to them that there was no such thing as poor communism. According to Marxism, communist society is based on material abundance. Only when there is material abundance can the principle of a communist society -- that is, "from each according to his ability, to each according to his needs" -- be applied. Socialism is the first stage of communism. Of course, it covers a very long historical period. The main task in the socialist stage is to develop the productive forces, keep increasing the material wealth of society, steadily improve the life of the people and create material conditions for the advent of a communist society.

There can be no communism with pauperism, or socialism with pauperism. So to get rich is no sin. However, what we mean by getting rich is different from what you mean. Wealth in a socialist society belongs to the people. To get rich in a socialist society means prosperity for the entire people. The principles of socialism are: first, development of production and second, common prosperity. We permit some people and some regions to become prosperous first, for the purpose of achieving common prosperity faster. That is why our policy will not lead to polarization, to a situation where the rich get richer while the poor get poorer. To be frank, we shall not permit the emergence of a new bourgeoisie.

Wallace: Yes, but the farmers, for instance, that I saw down in the Pearl River estuary -- they have motorcycles, they have colour television sets, they are building homes. You take measures to encourage them to grow rich. They only have to give a certain amount to the state and may keep the rest for themselves. And in a sense, that is almost like our system in the United States; they give a certain amount to the state in taxes and keep the rest for themselves.

Deng: In our system the public sector is the major sector of the economy, but there are also others. Even the much talked-about "ten-thousand-yuan households" in the countryside only have an annual income of some US\$2,000 or 3,000. Would you call that rich? How many households like that are there? Compared with the developed countries, China still has a very low per capita national income.

Wallace: You spoke of the "cultural revolution" just now, Chairman Deng. What happened to you and your family during the "cultural revolution"?

Deng: That episode looks bad, but in the final analysis, it was also a good thing. Because it set people thinking and helped to identify our failings. Chairman Mao often said that bad things could be turned into good things. If we draw the right lessons from the "cultural revolution", we can institute measures of reform to change the face of China politically and economically. Thus bad things can be turned into good things. It is because we reviewed our experience and drew the lessons of the "cultural revolution" that in the late 1970s and early 1980s we were able to formulate the policies that are now in force.

Wallace: So far, I have never seen a picture of you in a public place in China; why?

Deng: We do not encourage that. Any individual is a member of the collective. Nothing can be accomplished by an individual in isolation from others. Personally, I have all along rejected offers to write my biography. Over the years, I have done quite a few good things, but I have done some wrong things, too. Before the "cultural revolution", we made such mistakes as the Great Leap Forward. Of course, I was not the principal advocate of that policy, but I did not oppose it either. That means I had a share in that mistake. If a biography is written, it should include both good and bad things, even the mistakes one has made.

Wallace: Two questions. You say you would like to live to the age of one hundred and then go to visit Karl Marx; maybe Mao Zedong will be seated by his side. What do you think those two gentlemen will have to say to you, Deng Xiaoping, when you are up there.

Deng: I am a Marxist. I have consistently followed the fundamental principles of Marxism. Marxism is also known as communism. We made the revolution, seized political power and founded the People's Republic of China because we had this faith and this ideal. Because we had our ideal, and because we integrated the fundamental principles of Marxism with the concrete practice of China, we were able to win. Since

our victory in the revolution, in the course of construction we have again integrated the fundamental principles of Marxism with the concrete practice of China. We are striving for the four modernizations, but people tend to forget that they are four socialist modernizations. This is what we are doing today.

Wallace: Everybody is asking this question: in the last few years Deng Xiaoping has done a good job -- he's done a good job in modernization, the economy is developing, people are not as afraid as they used to be -- but after Deng Xiaoping is gone, what will happen? They wonder whether things will go back to the way they were before.

Deng: Certainly there will be no turning back. If you want to find out whether the present policies are here to stay, you should first examine whether the policies are correct, whether they are right for the country and the people and whether the life of the people is gradually improving under them. I believe that the people are discerning. If the present policies are altered, their standard of living will definitely fall. So long as the people think the present policies are correct, anyone who wants to change them will be brought down.

Wallace: Mao Zedong has been dead for just 10 years. What do you think would be Mao's reaction to China today, a China where the leaders say to get rich is glorious, and where personal happiness and private enterprises and political reform and greater freedom of speech are beginning to be permitted -- what would Mao say?

Deng: There are differences. However, there are similarities as far as certain principles are concerned. Mao Zedong Thought is still our guiding ideology. We have adopted the Resolution on Certain Questions in the History of our Party Since the Founding of the People's Republic of China, which answers your question.

Wallace: It doesn't answer my question. The China of Deng Xiaoping is different from the China of Mao Zedong. It's a new revolution that is going on here, at least you are trying to make a new revolution, it seems.

Deng: You are right. We too say that what we are doing now is in essence a revolution. In another sense, we are engaged in an experiment. For us, this is something new, and we have to feel our way. Since it is something new, we are bound to make mistakes. Our method is to review our experience from time to time and correct mistakes whenever we discover them, so that minor mistakes will not grow into major ones.

Wallace: Last question. You are number one in China. How long do you intend to continue to be the chief leader and the chief adviser?

Deng: I am all for the abolition of life tenure and the institution of a retirement system. As you know, I told the Italian correspondent Oriana Fallaci that my plan was to work until 1985. It's already a year beyond that date. I am now considering when to retire. Personally, I should like to retire soon. However, this is a rather difficult question. It is very hard to persuade the Party rank and file and the Chinese people to accept that. I

believe if I retire before I die, it will help ensure the continuation of the present policies. It will also be in keeping with my own wishes. However, I need to work harder to talk people around. In the end, as I am a member of the Communist Party, I must obey the decision of the Party. I am a citizen of the People's Republic of China, so I must obey the will of the people. I am still hoping that I can succeed in persuading the people to come round to my view.

Wallace: You told Fallaci "until 1985"; what will you tell me?

Deng: To be quite frank, I am trying to persuade people to let me retire at the Party's Thirteenth National Congress next year. But so far, all I have heard is dissenting voices on all sides.

(An interview with Mike Wallace, a correspondent for the programme "60 Minutes" on CBS TV in the United States. For publication in this volume, the transcript of the interview has been slightly abridged.)

ON REFORM OF THE POLITICAL STRUCTURE

September - November 1986

I

Our reform of the economic structure is going smoothly on the whole. Nevertheless, as it proceeds we shall inevitably encounter obstacles. It is true that there are people, both inside and outside our Party, who are not in favour of the reform, but there are not many who strongly oppose it. The important thing is that our political structure does not meet the needs of the economic reform.

When we first raised the question of reform we had in mind, among other things, reform of the political structure. Whenever we move a step forward in economic reform, we are made keenly aware of the need to change the political structure. If we fail to do that, we shall be unable to preserve the gains we have made in the economic reform and to build on them, the growth of the productive forces will be stunted and our drive for modernization will be impeded.

The content of the political reform is still under discussion, because this is a very difficult question. Since every reform measure will involve a wide range of people, have profound repercussions in many areas and affect the interests of countless individuals, we are bound to run into obstacles, so it is important for us to proceed with caution. First of all we have to determine the scope of the political restructuring and decide where to begin. We shall start with one or two reforms and not try to do everything at once, because we don't want to make a mess of things. In a country as vast and complex as ours, reform is no easy task. So we must be very cautious about setting policies and make no decision until we are quite sure it is the right one.

In essence, the purpose of political restructuring is to overcome bureaucratism, develop socialist democracy and stimulate the initiative of the people and of the grass-roots units. Through the reform, we intend to straighten out the relationship between the rule of law and the rule of man and between the Party and the government. We should be firm about leadership by the Party. The Party should lead well, but its functions must be separated from those of the government. This question should be put on the agenda.

(From a talk with Yoshikatsu Takeiri, Chairman of the Central Executive Committee of the Komei Party of Japan, on September 3, 1986)

II

If we do not institute a reform of our political structure, it will be difficult to carry out the reform of our economic structure. Separation of the functions of the Party and the government comes under the heading of political reform, and that raises the question of how a Party committee should exercise leadership. The answer is that it should deal only with major issues and not with minor ones. Local Party committees should not establish departments to take charge of economic affairs; those affairs should be the responsibility of local governments. However, that's not the way it is at present.

We have to discuss what the content of political reform should be and work out the details. In my opinion, its purposes are to bring the initiative of the masses into play, to increase efficiency and to overcome bureaucratism. Its content should be as follows. First, we should separate the Party and the government and decide how the Party can exercise leadership most effectively. This is the key and should be given top priority. Second, we should transfer some of the powers of the central authorities to local authorities in order to straighten out relations between the two. At the same time, local authorities should likewise transfer some of their powers to lower levels. Third, we should streamline the administrative structure, and this is related to the devolution of powers.

We must set a starting date -- one that is not too far off. At the National Party Congress next year we shall draw up a plan. However, in reforming our political structure we must not imitate the West, and no liberalization should be allowed. Of course our present structure of leadership has certain advantages. For example, it enables us to make quick decisions, while if we place too much emphasis on a need for checks and balances, problems may arise.

(Remarks made on September 13, 1986, after hearing a report from the Central Committee's Leading Group for Financial and Economic Affairs.)

III

In the reform of the political structure, our general objectives are the following: (1) to consolidate the socialist system, (2) to develop the socialist productive forces and (3) to expand socialist democracy in order to bring the initiative of the people into full play.

The chief purpose of mobilizing the people's initiative is to develop the productive forces and raise living standards. This in turn will help increase the strength of our socialist country and consolidate the socialist system.

Both of our political structures were copied from the Soviet model. It seems to me that even in the Soviet Union this model has not been very successful. But even if it had achieved one hundred per cent success, would it be suited to realities in China? Would it be suited to realities in Poland? Conditions vary from one country to another. We have decided to reform our political structure in the light of realities in China.

(From a talk on September 29, 1986, with Wojciech Jaruzelski, First Secretary of the Central Committee of the Polish United Workers' Party and Chairman of the State Council of the People's Republic of Poland.)

IV

We feel the need to reform our political structure is growing more and more urgent, but we haven't sorted everything out yet. Lately I've been thinking the reform should have three objectives.

The first objective is to ensure the continuing vitality of the Party and the state. This chiefly means that our leading cadres must be young. A few years ago we set forth four requirements for cadres: that they should be more revolutionary, younger, better educated and more competent professionally. We have made some progress in this respect over the last few years, but that's just a beginning. The objective of having younger leading cadres is not something that can be achieved within three years or five. We shall be doing well if we achieve it in fifteen. By the time of the Party's Thirteenth National Congress next year, we shall have taken a first step towards our goal, but that's all. By the Fourteenth National Congress [1992], we expect to have taken another step, and by the Fifteenth to have reached our objective. This is not something people of our age can accomplish, but it is vitally important for us to set the goal. It would be wonderful if someday China had a contingent of fine 30-to-40-year-old statesmen, economists, military strategists and diplomats. Similarly, we hope there will be a contingent of fine 30-to-40-year-old scientists, educationists, writers and specialists in other fields. It is essential to introduce measures in various areas, including education and the management of cadres, to encourage young people. Strictly speaking, we are only taking our first steps in this regard. There are many problems to be studied and many measures to be taken, but we must act carefully.

The second objective of political structural reform is to eliminate bureaucratism and increase efficiency. One reason for low efficiency is that organizations are overstaffed, and their work proceeds at a snail's pace. But the main reason is that we have not separated the functions of the Party from those of the government, so that the Party often takes over the work of the government, and the two have many overlapping organs. We must uphold leadership by the Party and never abandon it, but the Party should exercise its leadership effectively. It's several years already since we first raised this problem of

efficiency, but we still have no clear idea as to how to solve it. Unless we increase efficiency, we shall not succeed in our drive for modernization. In the world today, mankind is progressing at a tremendous pace. Especially in science and technology, if we lag only one year behind, it will be very hard to catch up. So we have to increase our efficiency. Of course this is not just a question of separating the Party from the government; there are many other problems to be solved too.

The third objective of political reform is to stimulate the initiative of grass-roots units and of workers, peasants and intellectuals. One thing we have learned from our experience in economic reform over the last few years is that the first step is to release the peasants' initiative by delegating to them powers of decision in production. That is what we did in the countryside. We should do the same in the cities, delegating powers to the enterprises and grass-roots units and thereby motivating workers and intellectuals and democratizing management by letting them participate in it. The same applies to every other field of endeavour.

Only with a vigorous leadership that has eliminated bureaucratism, raised efficiency and mobilized the grass-roots units and the rank and file can we have real hope of success in our modernization drive.

(From a talk with Prime Minister Yasuhiro Nakasone of Japan on November 9, 1986.)

(Excerpts from four talks.)

**REMARKS AT THE SIXTH PLENARY SESSION OF
THE PARTY'S
TWELFTH CENTRAL COMMITTEE**
September 28, 1986

With regard to the question of opposing bourgeois liberalization, I am the one who has talked about it most often and most insistently. Why? First, because there is now a trend of thought among the masses, especially among the young people, in favour of liberalization. Second, because this trend has found support from the sidelines. For example, there have been some comments from people in Hong Kong and Taiwan who are opposed to our [Four Cardinal Principles](#) and who think we should introduce the capitalist system lock, stock and barrel, as if that were the only genuine modernization. What is this liberalization? It is an attempt to turn China's present policies in the direction of capitalism. The exponents of this trend are trying to lead us towards capitalism. That is why I have explained time and again that our modernization programme is a socialist one. Our decision to introduce the open policy and assimilate useful things from capitalist societies was made only to supplement the development of our socialist productive forces.

We all remember that in 1980, after the defeat of the Gang of Four, the National People's Congress adopted a resolution to delete from the Constitution the provision concerning the right of citizens to "speak out freely, air their views fully, hold great debates and put up big-character posters". Why did we do this? Because there was an ideological trend in favour of liberalization. If that trend had been allowed to spread, it would have undermined our political stability and unity, without which construction would be out of the question.

Liberalization itself is bourgeois in nature -- there is no such thing as proletarian or socialist liberalization. Liberalization by itself means antagonism to our current policies and systems and a wish to revise them. In fact, exponents of liberalization want to lead us down the road to capitalism. That's why we call it bourgeois liberalization. It doesn't matter if the term has been used elsewhere in other contexts, for our current politics demands that we use it in the resolution, and I am in favour of it.

It seems to me that the struggle against liberalization will have to be carried on not only now but for the next 10 or 20 years. If we fail to check this trend, it will merge with undesirable foreign things that will inevitably find their way into China because of our open policy and become a battering ram used against our socialist modernization programme. This is something we cannot afford to ignore. If you have read some of the comments that have been made by people in Hong Kong and by bourgeois scholars in foreign countries, you will see that most of them insist that we should liberalize, or say that there are no human rights in China. These commentators oppose the very things we believe in and hope that we will change. But we shall continue to raise problems and solve them in the light of the realities in China.

(Made during discussion of the "Draft Resolution of the CPC Central Committee on the Guiding Principles for Building a Socialist Society with an Advanced Level of Culture and Ideology".)

CHINA CANNOT ADVANCE WITHOUT SCIENCE

October 18, 1986

I am a layman in science, but I am enthusiastic about promoting its development. China cannot advance without science. We still lag behind in this respect. You have established an international centre of science and culture -- the World Laboratory. This is an important pioneering undertaking and one that will benefit Third World countries in particular. China belongs to the Third World, so our scientists and engineers should take an active part in the work of the Laboratory.

We have only just begun the modernization drive. We shall probably have made considerable progress by the end of the century and even more notable progress 30 or 50 years after that. It is difficult for us to get things done, because China is a big and backward country. We are very grateful for your help, but of course we have to depend

on our own hard work. Judging from what we have accomplished so far, we are optimistic.

We should make joint efforts to develop science and technology. Without science the hopes of mankind will not be fulfilled. Without science the people of the Third World countries cannot cast off poverty. Without science world peace cannot be maintained.

To develop advanced science and technology we have to spend a certain amount of money. We should spend it where it is needed. A few years ago some foreign scientists asked me why we were building an accelerator when our country was not very rich. I told them we were doing it in our long-term interest. Looking back today, I think it was a correct decision. At least we have come a few years closer to catching up. Now is the time for us to promote the development of advanced science and technology; otherwise, we'll be lagging far behind and will have to spend much more money to close the gap.

(A talk with the Chinese-American physicist and Nobel Prize winner Tsung-Dao Lee and the Italian physicist Antonino Zichichi and their wives.)

IN MEMORY OF LIU BOCHENG

October 21, 1986

After a long illness Bocheng has passed away. I worked with him for a long time and knew him very well. I am deeply grieved by his death.

Bocheng joined the army when he was very young and served in it his whole life. After the Revolution of 1911 he participated in the campaigns to protect the Republic and uphold the Provisional Constitution, proving himself a valiant soldier. I still have a photograph of him taken in 1915, when he was twenty-two years old -- just in his prime. In 1916, while leading his troops in the Fengdu battle in Sichuan Province (part of the expedition against [Yuan Shikai](#)), he was struck by two bullets in the head and lost his right eye. Later he commanded countless campaigns and engagements and was wounded at least nine more times. He performed outstanding military exploits and became famous as the resourceful one-eyed general.

I became acquainted with Bocheng in 1931 in the Central Soviet Area in Jiangxi Province. When I saw him for the first time, I was impressed by his honesty, sincerity and amiability. Beginning in 1938 we worked together for 13 years, first in the 129th Division of the Eighth Route Army, where he served as commander and I as political commissar, and then in the Shanxi-Hebei-Shandong-Henan Field Army, the Central Plains Field Army and the [Second Field Army](#). Although he was ten years older than I, and we had different personalities, we got on very well together and cooperated closely. People always spoke of us together, calling us Liu-Deng. And indeed, in our hearts we felt we were inseparable. I was very happy to work and fight alongside him. Bocheng

was a man of the greatest virtue and worked well with other comrades, setting an example for all our leading cadres even today.

Bocheng had strong Party spirit. This was especially evident in the way he always subordinated his own interests to the general interests. To meet the needs of the whole, he never hesitated to sacrifice the interest of the part. He always asked to take on the hardest and most dangerous tasks and carried them out by surmounting all difficulties. Before the Long March, because of his opposition to dogmatism in the military command, he was wrongly dismissed from the post of chief of the general staff and demoted to chief of staff of the Fifth Army Group of the Chinese Workers' and Peasants' Red Army. Enduring the humiliation, he continued to work hard. At the beginning of the Long March he led the Fifth Army Group in bitter rear-guard engagements, in which his troops, while greatly outnumbered, managed to ensure the safety of the organs of the Central Committee. Later, under his command the vanguard detachment of the Chinese Workers' and Peasants' Red Army captured one strategic point after another and thus paved the way for the Long March. After the rendezvous of the First and Fourth Front Armies of the Red Army, Bocheng firmly supported the Central Committee's policy of marching north to resist the Japanese invaders and opposed [Zhang Guotao](#)'s attempts to split the Party and the Red Army and set up a separate central committee. He always retained his strong Party spirit, not only during the War of Resistance Against Japan and the War of Liberation but also after the founding of the People's Republic of China.

In the second year of the War of Liberation the Central Committee decided to send 100,000 troops from Shanxi, Hebei, Shandong and Henan into the Dabie Mountains, so as to carry the war into Kuomintang-controlled areas. This would be a difficult and dangerous strategic operation, because the troops would have to fight without a rear area to support them. Some cadres hesitated before this prospect, but Bocheng explained the situation to them. "If we do this," he said, "we can draw the enemy to ourselves and make it easier for the other field armies. How can you take hot embers out from under a pot if you are afraid of burning your fingers? Even if we have to make sacrifices, we should not begrudge them." In carrying out the Party's resolutions and strategies, Bocheng set a fine example.

Comrade Bocheng was a great intellectual and a great strategist in our Party and army. As a skilled commander and military theorist, he had few equals at home or abroad. He knew a great deal about the art of war. He drew on the best military theories, both ancient and modern, Chinese and foreign, and applied them in the Chinese revolutionary war. In devising tactics for battles, he paid close attention to the particular circumstances. He would size up the enemy's situation correctly, make meticulous plans and carefully deploy his forces. As a result, his troops often defeated the enemy by a surprise move, and even the enemy admired his wonderful foresight in directing battles. In his own words, "wonderful foresight" simply came, first of all, from having a clear understanding of the task, the strength of the enemy, one's own strength, the specific time and the specific terrain. He called these the five factors and often said, "If we are not clear about those things, we are doomed to utter defeat."

What he objected to most was commanders who stuck rigidly to conventional practice, without considering changed circumstances and making careful plans accordingly. He often used two common Sichuanese sayings to criticize humorously comrades who were careless in their work or who paid no attention to reconnaissance and investigation before launching military operations but gave arbitrary and impracticable orders. One was, ``You're burning incense and praying in the wrong temple." The other was, ``The mosquito bites a clay idol -- the wrong target." Bocheng frequently reviewed the lessons learned in combat, raised military practice to the level of theory and then used that theory creatively to guide future practice. He was an outstanding Marxist military theorist. He made a great contribution to the shaping and development of Mao Zedong's thinking on military matters. It can truly be said that Comrade Bocheng's military theories constituted an important part of Mao Zedong's military thinking.

As an outstanding strategist, Bocheng demonstrated his perspicacity not only in directing battles but also in building a modern, regular army. Even in the years when our army had only millet to eat and only rifles to fight with, he began to envisage combined operations using different arms. During the second half of 1946, many battles were fought in the Liberated Area of Shanxi-Hebei-Shandong-Henan -- an average of one every twenty days. Even so, Bocheng made the best use of the intervals in the fighting to translate into Chinese those parts of Tactics which had not yet been translated from Russian and to revise the rest of the translation. He very much enjoyed the well-known Soviet play *The Front* [by A.E. Korneichak, 1942] and declared on many occasions that we should emulate Ognev, who boldly accepted new things, rather than Gorlov, who was a conservative.

Bearing in mind the new features of war in the new situation, he was among the first Chinese leaders to study and apply the advances in modern military science of other countries and to give strategic importance to education and training in the army. Not long after the liberation of the mainland, recognizing the general need to strengthen the army, he wrote a letter to the Central Committee asking permission to resign from the posts of chairman of the Southwest Military and Administrative Commission and commander of the Second Field Army, so that he could establish a military academy. He worked indefatigably to train cadres in modern military science. Although his eyesight was deteriorating, with the help of a magnifying glass he examined translations of foreign works on the subject, altogether amounting to about one million Chinese characters, and compiled a vast number of teaching materials. Even today his achievements in the Military Academy still play an important role in building a modern, regular army. In 1958 he was criticized for dogmatism -- that was unfair. We can definitely say that Bocheng was one of those who laid the groundwork for a modern, regular army. We should forever remember the important contributions he made in this respect.

Bocheng attached great importance to political work. He respected not only the political commissars but also the personnel of the political departments. Whenever he went down to a grass-roots unit, he always asked some of them to go with him as representatives of those departments. He wanted them along not so that they could write speeches for him or news releases reporting his activities, but so that he could consult them when problems

arose. Whenever he went to an army unit to brief the men on a forthcoming engagement, he would ask them to accompany him, so that they could do political work at the same time. Before he was to relay a directive from the Central Committee or to make a speech mobilizing the soldiers politically, he would always submit the outline of his remarks to the political department for correction. He did so not just out of modesty but, more important, out of a conviction that political work was the lifeblood of the army. He was concerned with that work and with the political and ideological education of officers and men. We can say that in this respect he was a model for the army's senior commanders.

When still very young, Bocheng was already determined to deliver the people from their abyss of suffering. It was this breadth of vision that helped him gradually change from a follower of old democracy to a Communist. Like many who were concerned about the destiny of their country and their people, he saw clearly from his own experience that the only way to make China independent and to liberate the Chinese people was to follow the course charted by the Communist Party; there was no alternative. Bocheng first came into contact with the Communists in 1924. But it was only two years later, after careful observation and deep reflection, that he made his political choice. Once he was sure that he had made the right choice, he would dedicate himself to it even at the risk of his life. From the day he accepted Marxism and joined the Communist Party, during the period of democratic revolution and the period of socialist revolution and construction, in wartime and in peacetime, whether he was directing battles or running military schools, under good circumstances or bad, and no matter what changes took place in the objective situation, he always immersed himself in the Party's cause, serving the needs of the Party and giving it his all. He ignored all questions of personal gain or loss, honour or disgrace. He simply gave no thought to himself.

In the winter of 1942, when soldiers and civilians of the Taihang Mountain area were celebrating his fiftieth birthday, and when congratulations were received from leaders in Yan'an, Bocheng said, "Without the Party's leadership, people like me can accomplish nothing." And he added, "It will be a great consolation to me if after my death there are carved on my gravestone the words 'Here lies a Chinese Bolshevik, [Liu Bocheng](#).'"

In view of Bocheng's long struggle for the cause of communism, the outstanding contributions he made to the revolution and the strong Party spirit he displayed, we can say that he well deserves the honourable title of Chinese Bolshevik -- a true Communist.

(An article published in People's Daily.)

WE MUST UNITE THE PEOPLE ON THE BASIS OF FIRM CONVICTIONS

November 9, 1986

Today in China we are urging people to have lofty ideals and moral integrity, to become better educated and to cultivate a strong sense of discipline. Of these, the most important

is to have lofty ideals. From my long political and military experience I have learned that unity is of prime importance and that to achieve unity people must have common ideals and firm convictions. Over the past several decades we have united the people on the basis of firm convictions that enabled them to struggle for their own interests. Without such convictions, there would have been no cohesion among the people, and we could have accomplished nothing.

The highest goal of Communists is to realize communism, but in each historical stage we have a different programme of struggle that represents the interests of the overwhelming majority of the people in that particular period. That is why we have been able to unite the masses and mobilize them to act with one heart and one mind. With unity like that we can overcome any difficulty or setback. It was on this unity that we relied to defeat the Kuomintang's several million troops, who were equipped with modern American weapons. At that time we had no aircraft and no artillery, and we had to depend chiefly on men. So when I say that men play an important role, I don't mean men in a general sense, but men who have understood where the interest of the people lies and who fight for it under the guidance of unshakable beliefs. It remains our principle to inculcate our officers and men with such beliefs. We should not abandon that principle, for it is a distinguishing feature of the way we build the army in China. We should also emphasize the importance of beliefs among the people, especially the youth. First of all, we should teach young people to have ideals and a sense of discipline. Without ideals and discipline it would be impossible for us to modernize. Many of our young people worship the Western countries for their so-called freedom, when they don't really understand what freedom is. So we have to make clear to them the relation between freedom and discipline.

Marxism must be developed. We do not take Marxism as a dogma: rather, by combining Marxism with the concrete practice in China, we formulate our own principles. That is why we have achieved successes. Our revolution triumphed because we encircled the cities from the rural areas, although that strategy is not to be found in Marxist-Leninist books. Today we still uphold Marxism-Leninism and Mao Zedong Thought, part of which we have inherited and part of which we have developed ourselves. We are building socialism, or to be more precise, we are building a socialism suited to conditions in China. In this way we are truly adhering to Marxism. We have always believed that Communist parties everywhere should carry forward and develop Marxism in light of the conditions in their own countries. If we disregard realities, it is meaningless to talk about Marxism. That's why we believe that there is not, and cannot be, any centre in the international communist movement. Nor are we in favour of establishing a so-called community of nations, because only the independence of each country is a true expression of Marxism.

(Excerpt from a talk with Prime Minister Yasuhiro Nakasone of Japan.)

ON THE REFORM OF ENTERPRISES AND OF THE BANKING SYSTEM

December 19, 1986

How many steps should we take to complete the reform? How long will it take? I hope you will study these questions.

In the long run, grain production is very important to us. We should ensure the continued growth of agriculture through reform. As for the reform of enterprises, our chief goal is to invigorate the large and medium-sized state-owned ones.

To stimulate the initiative of the enterprises, we have to separate ownership from management in various ways; that is a very important part of the reform. But some of our comrades, who are still bound by conventional notions of how things should be done, don't like this idea. Actually, as means of developing the productive forces, different managerial forms can serve either capitalism or socialism. Whichever system uses them better will benefit most.

Delegating to lower levels the power to manage enterprises and separating the functions of the government from those of enterprises are components of the reform not only of the economic structure but also of the political structure. Delegation of power to lower levels will inevitably run into obstacles. Departments are overstaffed. I am told that some ministries and commissions have as many as ten thousand staff members. I think that number must be reduced. The more people you have in a unit, the more leaders you have competing for power. These people have worked for many years in departments at the central level, and most of them have acquired some knowledge. I suggest that they go to the grass-roots units and run for election as directors or managers of enterprises to demonstrate their abilities there.

Enterprise groups should be organized. It seems to me that there are too many separate enterprises in the electronics industry. Why don't they join into groups? If each enterprise goes it alone, it will never be able to improve the quality of its products. We should also study ways of organizing enterprise groups in the automobile industry. It is within our capacity to export automobiles. If enterprises want to increase their ability to compete in the market and to acquire up-to-the-minute information, they should join into groups.

Great advances should be made in the reform of the banking system. Banks should perform all the functions of banks. Yet ours have not been banks in the true sense of the word; they have only issued currency and held reserves. Since we don't know much about banking, we could invite foreign specialists in this field to advise us.

As for foreign loans, we should make a concrete analysis of the question. Some countries have borrowed large amounts of foreign funds. This cannot be regarded solely as a loss; they have gained from it too, rapidly growing from economically backward countries into moderately developed ones. There are two things we can learn from them. First, we should not be afraid of borrowing money abroad; and second, we should not borrow too much. It is not so terrible to borrow foreign funds. The most important thing is to use them to develop production; it would be wrong to use them to reduce the deficit.

To reduce the deficit, the scale of capital construction, especially of non-productive projects, has to be kept under control. Since the revenue of the central government has been reduced, it can't undertake too much. Part of the funds collected by the local authorities and idle capital collected from society at large should be put into infrastructure projects. That is the only solution for us. Also, we should not allow consumer demand to expand too rapidly.

In short, this year's economic situation is good, better than we anticipated. The prospects are bright for our reform.

(Excerpt from a talk to leading comrades of the CPC Central Committee who had briefed Deng on the current economic situation and put forward suggestions for the reform in the following year.)

TAKE A CLEAR-CUT STAND AGAINST BOURGEOIS LIBERALIZATION

December 30, 1986

The recent student unrest is not going to lead to any major disturbances. But because of its nature it must be taken very seriously. Firm measures must be taken against any student who creates trouble at Tiananmen Square. The rules and regulations on marches and demonstrations promulgated by the Municipal People's Government of Beijing have the force of law; they should be resolutely enforced and no concessions should be made. In the beginning, we mainly used persuasion, which is as it should be in dealing with student demonstrators. But persuasion includes application of the law. If any of them disrupt public order or violate the law, they must be dealt with unhesitatingly. When a disturbance breaks out in a place, it's because the leaders there didn't take a firm, clear-cut stand. This is not a problem that has arisen in just one or two places or in just the last couple of years; it is the result of failure over the past several years to take a firm, clear-cut stand against bourgeois liberalization. It is essential to adhere firmly to the [Four Cardinal Principles](#); otherwise bourgeois liberalization will spread unchecked -- and that has been the root cause of the problem. But this student unrest is also a good thing, insofar as it is a reminder to us.

I have read [Fang Lizhi](#)'s speeches. He doesn't sound like a Communist Party member at all. Why do we keep people like him in the Party? He should be expelled, not just persuaded to quit. There are some people who still hold to their opinions but who say they will not get involved in student disturbances. [That's fine](#). You can reserve your opinions, so long as you don't take part in activities against the Party or socialism. [Wang Ruowang](#) in Shanghai is very presumptuous. He should have been expelled from the Party long ago -- why this delay? A rumour is going around Shanghai to the effect that there is disagreement in the Central Committee as to whether we should uphold the Four Cardinal Principles and oppose liberalization, and that there is therefore a layer of

protection. That's why people in Shanghai are taking a wait-and-see attitude towards the disturbances.

We have to admit that on the ideological and theoretical front both central and local authorities have been weak and have lost ground. They have taken a laissez-faire attitude towards bourgeois liberalization, so that good people find no support while bad people go wild. Good people don't dare to speak out, as if they were in the wrong. But they are not in the wrong at all. We must stand up for the Four Cardinal Principles and especially the people's democratic dictatorship. There is no way to ensure continued political stability and unity without the people's democratic dictatorship. People who confuse right and wrong, who turn black into white, and who start rumours and spread slanders can't be allowed to go around with impunity stirring the masses up to make trouble. A few years ago we punished according to law some exponents of liberalization who broke the law. Did that bring discredit on us? No, China's image was not damaged. On the contrary, the prestige of our country is steadily growing.

In developing our democracy, we cannot simply copy bourgeois democracy, or introduce the system of a balance of three powers. I have often criticized people in power in the United States, saying that actually they have three governments. Of course, the American bourgeoisie uses this system in dealing with other countries, but when it comes to internal affairs, the three branches often pull in different directions, and that makes trouble. We cannot adopt such a system.

By carrying out the open policy, learning foreign technologies and utilizing foreign capital, we mean to promote socialist construction, not to deviate from the socialist road. We intend to develop the productive forces, expand socialist public ownership and raise the people's income. The purpose of allowing some regions and some people to become prosperous before others is to enable all of them to prosper eventually. We have to make sure that there is no polarization of society -- that's what socialism means.

Without the Communist Party's leadership and without socialism, there is no future for China. This truth has been demonstrated in the past, and it will be demonstrated again in future. When we succeed in raising China's per capita GNP to US\$4,000 and everyone is prosperous, that will better demonstrate the superiority of socialism over capitalism, it will point the way for three quarters of the world's population, and it will provide further proof of the correctness of Marxism. Therefore, we must confidently keep to the socialist road and uphold the Four Cardinal Principles.

We cannot do without dictatorship. We must not only reaffirm the need for it but exercise it when necessary. Of course, we must be cautious about resorting to dictatorial means and make as few arrests as possible. But if some people are bent on provoking bloodshed, what are we going to do about it? Our principle is: first expose their plot and then do our best to avoid shedding blood, even if that means some of our own people get hurt. We must see to it that ringleaders who have violated the law are sentenced according to law. If we had not done that, we wouldn't have put an end to the recent disturbances. If we had taken no action and backed down, we would only have had more trouble down the road.

In the recent student unrest, the democratic parties have taken a correct position, and so have well-known democrats such as [Zhou Gucheng](#), Fei Xiaotong and Qian Weichang. Unfortunately, we cannot say the same of some of our own Party members.

This time, we have to take action against those who openly oppose socialism and the Communist Party. This may make some waves, but that's nothing to be afraid of. We must resolutely impose sanctions on Fang Lizhi, [Liu Binyan](#) and Wang Ruowang, who are so arrogant that they want to remould the Communist Party. What qualifications do they have to be Party members?

[Originally, I had not intended to say anything at the Sixth Plenary Session of the Twelfth Central Committee.](#) But later, I felt I had to intervene to ask that there be included in the resolution a few words on the necessity of combating bourgeois liberalization. Apparently, my remarks on that occasion had no great effect. I understand they were never disseminated throughout the Party.

I still haven't changed my mind about opposing mental pollution. I have agreed to have the full text of my speech at the Second Plenary Session of the Twelfth Central Committee included in [a new collection of my works](#).

The struggle against bourgeois liberalization will last for at least 20 years. Democracy can develop only gradually, and we cannot copy Western systems. If we did, that would only make a mess of everything. Our socialist construction can only be carried out under leadership, in an orderly way and in an environment of stability and unity. That's why I place such emphasis on the need for high ideals and strict discipline. Bourgeois liberalization would plunge the country into turmoil once more. Bourgeois liberalization means rejection of the Party's leadership; there would be no centre around which to unite our one billion people, and the Party itself would lose all power to fight. A party like that would be no better than a mass organization; how could it be expected to lead the people in construction?

The struggle against the bourgeois Rightists in 1957 was carried somewhat too far, and the mistakes made should be corrected. But that doesn't mean that we have negated the necessity for this struggle as a whole.

The struggle against bourgeois liberalization is indispensable. We should not be afraid that people abroad will say we are damaging our reputation. We must take our own road and build a socialism adapted to conditions in China -- that is the only way China can have a future. We must show foreigners that China's political situation is stable. If our country were plunged into disorder and our nation reduced to a heap of loose sand, how could we ever accomplish anything? The reason the imperialists were able to bully us in the past was precisely that we were a heap of loose sand.

Dealing with the student disturbances is a serious matter. Leading cadres should take a clear-cut stand; that will help the masses see things more clearly. The three articles relating to the disturbances that were published in People's Daily were well written, and

so was the editorial that appeared in Beijing Daily entitled "Big-Character Posters Are Not Protected by the Law". The [remarks made by Li Ruihuan in Tianjin](#) were also good. The fact that the leading cadres take an unequivocal stand encourages those who are firmly opposed to disturbances and helps to persuade those who are undecided on the matter. Disturbances can be checked if the leaders take a strong stand.

(Remarks made to some leading members of the Central Committee of the Communist Party of China.)

WE HAVE TO CLEAR AWAY OBSTACLES AND CONTINUE TO ADVANCE

January 13, 1987

Recently some of our students created disturbances. These disturbances were different in nature from those of September 18, 1985, when students also took to the streets. We are now handling this matter. Actually, what concerns us is not the small number of college and university students, the one or two per cent of the total in the country, who took part. That is not really the problem -- a few students who take to the streets cannot affect the overall situation. The problem is that there has been some confusion in our ideological work, and students have not been given strong, effective guidance. That is a major mistake. We must change this situation and tell our young people about our past.

At the same time we should expose those persons who have acted out of ulterior motives, because this time they have adopted slogans that call for opposition to leadership by the Communist Party and to the socialist road. Certain individuals have made exceedingly pernicious statements, trying to incite people to action. They oppose Communist Party leadership and the socialist system, they call for total Westernization of China and adoption of the whole capitalist system of the West. These instigators are well-known persons, and we have to do something about them. They are to be found, of all places, inside the Communist Party. The Communist Party has its discipline. Actually, every party in the world has its own discipline. This time we are going to make a point of checking up on discipline.

A little trouble stirred up by students won't have any great impact, much less bring us down. There is one point I'd like to assure our friends of, and that is, we shall handle problems like this in an appropriate way. Even if these disturbances had been much more widespread, they would have had no effect on the foundations of our state or on the policies we have established. When we have dealt with them, our political stability and unity will only be enhanced, and our established principles and policies -- including the policies of opening to the outside world, reform and construction -- will only be carried out more smoothly and perseveringly. Of course, in settling this matter we shall review our experience and gradually overcome our weaknesses -- bureaucratism, for example. In this way we shall eventually turn something negative into something positive and help clarify the thinking of both the leaders and the people.

It is no simple thing to introduce reform and modernize our country, and we have never harboured any illusions that it would all be easy. There will inevitably be interference from various directions, including both the Right and the "Left". If in the past we have paid too much attention to interference from the "Left" to the neglect of that from the Right, the recent student unrest has reminded us that we should be more on guard against the latter. We have to clear away the obstacles. Without political stability and unity, it would be impossible for us to go on with construction, let alone to carry out the reform and pursue the open policy -- none of those efforts could succeed. Opening to the outside world is no simple matter, and reform is even more difficult and must be conducted in an orderly way. That is to say, we must be at once daring and cautious, and review our experience frequently so as to advance more surely. Without order, we would have to devote all our energies to combating interference of one kind or another, and that would be the end of reform. In short, I am convinced that our future accomplishments will be a further demonstration of the correctness of our present line, principles and policies. Problems will be solved gradually, so long as we go on developing in the way we have during the past eight years, try to overcome interference from any side, and continue to grow and advance and to raise the standard of living.

We should explain to the students who have been involved in disturbances what is at stake. A few mild remonstrations won't serve the purpose. It is essential to explain clearly to them what is right and what is wrong, what is beneficial and what is harmful. By what is right and what is wrong I mean what serves the fundamental interests of the country and what damages them. And by what is beneficial and what is harmful I mean what helps us to achieve the major socialist objectives we have set for this century and the next and what hinders us from doing so. This is the way to show our concern for the young people and to give them genuine guidance. Since the Third Plenary Session of the Eleventh Central Committee, held in December 1978, we have been opposing anarchism and ultra-individualism. But today some people are trying to make our society absolutely lawless. How can we allow that to happen? Even capitalist society doesn't allow people to defy the law; far less can we, who uphold the socialist system and want to build a Chinese-style socialism.

You are very concerned about this question in China. I should like to assure our friends that the student unrest will not lead to major trouble. It will have no effect on our established principles and policies; it will have no effect on our reform or our opening to the outside world. It has reminded not only ourselves but our friends as well that to understand China's problems, one must recognize their complexity. China is a country which has more than one billion people and dozens of nationalities and which has traversed a tortuous road over the more than 30 years since the founding of the People's Republic. So it is not surprising that such disturbances should have occurred. We shall try to prevent them from spreading, but even if ten times more people were involved, they would not affect the foundations of our state or make us alter our policies, because they are correct and the people have benefited from them. During the "cultural revolution" we had what was called mass democracy. In those days people thought that rousing the masses to headlong action was democracy and that it would solve all problems. But it

turned out that when the masses were roused to headlong action, the result was civil war. We have learned our lesson from history.

(Excerpt from a talk with Noboru Takeshita, Secretary-General of the Liberal Democratic Party of Japan.)

**WE MUST PROMOTE EDUCATION IN THE FOUR
CARDINAL PRINCIPLES AND ADHERE TO THE
POLICIES OF REFORM AND OPENING TO
THE OUTSIDE WORLD**

January 20, 1987

Recently two major events have taken place in our country: one was the student disturbances and the other the replacement of the General Secretary of our Party. The two events are related, and we have dealt with both of them. Why did the students create disturbances? Basically, it was because of weak leadership. Since we call for upholding the [Four Cardinal Principles](#), we must conduct constant education in these principles among the people. In the last few years we have witnessed the emergence of an ideological trend in favour of bourgeois liberalization that has not been effectively countered. Although I have warned against this trend on many occasions, our Party has failed to provide adequate leadership in combating it. This was a major mistake made by Comrade Hu Yaobang. So the Central Committee accepted his resignation from the post of General Secretary.

Student disturbances and the replacement of the General Secretary are by no means minor matters, but our Party has been quite capable of dealing with them. Comrade Hu Yaobang's case has been handled reasonably, or quite gently I should say, and it was settled very smoothly. The student disturbances have also been dealt with satisfactorily. The handling of these two events will affect neither our Party's line, principles and policies, nor our policy of opening up both domestically and internationally, nor the reform of our economic and political structures. It will only help clarify the thinking of the Party and the people and strengthen our conviction that we are on the right road. In spite of these events, things will go on as usual, and there will be no changes at all. This is what I wanted to say to the comrades present here.

In the last eight years the line, principles and policies our Party formulated at the Third Plenary Session of the Eleventh Central Committee have been smoothly implemented, our country has made notable progress and living standards have risen visibly. This reality cannot be negated by student disturbances. If we have been successful over the last eight years, it is chiefly because our policies have been based on China's realities and because we have relied on our own efforts. Our goals are realistic. Raising the standard of living is a long-term task. The mistakes we have made since the founding of the People's Republic were all due to overeagerness: disregarding China's realities, we set excessively high targets, with the result that progress was slowed. Building socialism is no easy job.

To achieve genuine political independence a country must lift itself out of poverty. And to do that it must base its economic and foreign policies on its own conditions. It should not erect barriers to isolate itself from the rest of the world. China's experience shows that for a country to isolate itself is only to its own disadvantage. If it is to develop, it must persist in opening to the outside world and carrying out reforms at home. These should include reform of the political structure, which is in the realm of the superstructure. The open policy that China is currently pursuing is correct, and it has greatly benefited the country. If anything, we should open our doors even wider. And that's what we are going to do. Because we have a great capacity for assimilation, and because we have correct policies, even if some unhealthy phenomena appear, they cannot affect the foundations of our socialist system. Educating our people in the Four Cardinal Principles will provide a fundamental guarantee for the sound progress of our cause.

(Excerpt from a talk with Prime Minister Robert Mugabe of Zimbabwe.)

PLANNING AND THE MARKET ARE BOTH MEANS OF DEVELOPING THE PRODUCTIVE FORCES

February 6, 1987

Why do some people always insist that the market is capitalist and only planning is socialist? Actually they are both means of developing the productive forces. So long as they serve that purpose, we should make use of them. If they serve socialism they are socialist; if they serve capitalism they are capitalist. It is not correct to say that planning is only socialist, because there is a planning department in Japan and there is also planning in the United States. At one time we copied the Soviet model of economic development and had a planned economy. Later we said that in a socialist economy planning was primary. We should not say that any longer.

Recently we have made some mistakes in our work, but that's nothing to be alarmed at. Don't be afraid; if we're afraid of making mistakes, we can't go on with the reform. I, for my part, feel we've been much too cautious. Of course, it is better not to move too fast just now because of the recent student unrest. But in the long run, the pace of reform should not be too slow.

The report to be delivered at the [Thirteenth National Party Congress](#) should elaborate the theory of socialism and make it clear that our reform is socialist. At the same time, it should clearly explain from a theoretical point of view the need to adhere to the [Four Cardinal Principles](#), to combat bourgeois liberalization, to carry out reform and to open China to the outside world. It should be a good document.

(Excerpt from a talk with leading members of the Central Committee of the Communist Party of China.)

WE MUST TELL OUR YOUNG PEOPLE ABOUT

CHINA'S HISTORY

February 18, 1987

Recently the college and university students created some disturbances. It is not the students themselves who are to blame for it but a small number of persons with ulterior motives, mainly higher intellectuals inside the Party who incited them to action. We have dealt with the matter sternly. But the struggle against bourgeois liberalization has not ended. Some people are still not clear what we are doing now in China. Everyone says that the modernization programme is a good thing, but some people have an understanding of it that is different from ours. By modernization we mean socialist modernization, but what those people advocate is modernization without socialism. This shows that they have forgotten the essence of the matter and that they have departed from the road China must take in its development.

This question is vital: here we can make no concessions. We shall continue to struggle against bourgeois liberalization throughout the process of modernization, not only in this century but in the next. However, precisely because this will be a long-term struggle, instead of launching a political movement we shall use mainly the method of education. Education and persuasion are also a form of struggle. But only our achievements in economic development can eventually convince those who do not believe in socialism. If we can become comparatively prosperous by the end of this century, they will be partly convinced, and when we have turned China into a moderately developed socialist country by the middle of the next century, they will be completely convinced. By that time most of them will have recognized their mistake. I think it will be possible for us to reach that magnificent goal.

Generally speaking, over the past few years things have been going very well in our country: the economic situation has been good, and living standards have gradually risen. During the winter vacation the students went home; they found their families were living better, and their parents must have educated them too. So the student unrest won't have any great impact on the country, much less cause us to change our established principles and policies. The Party's General Secretary Hu Yaobang has submitted his resignation, and that has something to do with the student unrest. But this change of personnel in the Central Committee will have no effect on our principles and policies. That is, they will not be changed, and they will even be carried out more smoothly. In short, things will go on as usual; the only difference is that we have become more determined.

The positive result of the student unrest is that it has reminded us to review the experience gained in economic development over the past few years and has enabled us to see more clearly where things went wrong. The principles and policies we have formulated in recent years have been proved correct. Nevertheless, economic development has brought with it some negative effects, and if we want it to proceed in a sound way, we have to eliminate them. These negative effects have manifested themselves mainly in the spheres of theory, ideology and culture. That is why we have

particularly stressed the need to uphold the [Four Cardinal Principles](#) and combat bourgeois liberalization. At the same time, we must do a better job of persuasion and education, improve our political and ideological work and struggle against undesirable conduct, including the tendency to seek privileges. The "cultural revolution" had a pernicious influence on the younger generation. That is why we encourage all our people, including cadres, to have high ideals, moral integrity, a good education and a strong sense of discipline.

The ideals of the exponents of bourgeois liberalization are different from ours. We advocate socialist and communist ideals, and they advocate capitalist ideals. After the [Opium War](#) of 1840 China was reduced to the status of a semi-colonial, semi-feudal society, and the Chinese nation was known as "the sick man of Asia". For almost a century after that war, high-minded persons, including Dr. Sun Yat-sen, tried to find ways to save China. At first Dr. Sun Yat-sen looked to the West -- that is, to capitalism. But later, when he found that what he learned from the capitalist West did not work in China, [he put forward the idea of learning from Russia](#), which had been through the October Revolution. He initiated cooperation between the Kuomintang and the Communist Party, which brought about the success of the Northern Expedition [in 1926 against the northern warlords]. After Dr. Sun Yat-sen died, China under the rule of the Kuomintang remained a miserable semi-colonial and semi-feudal country, and when the Japanese invaded, a large part of its territory was turned into a Japanese colony. Under the oppression of imperialism, feudalism and the bureaucrat-capitalism that developed later, the country became poorer and poorer.

This history teaches us that capitalism would lead China nowhere and that we must follow the socialist road -- there is no alternative. If China abandoned that road, it would return to its semi-colonial and semi-feudal status, and the Chinese people would not have enough food and clothing, let alone become prosperous. So we have to know the history of our country. Since our young people do not know much about our past, we should tell them about it, and the rest of the people too.

In short, in the last dozen years of this century and the first 30 to 50 years of the next, we shall continue to demonstrate that we are on the right road. We are optimistic about developing our economy. But we also realize that it will not be easy and that we must not rest on our oars. We shall have to be more careful in our work and review our experience regularly.

(Excerpt from a talk with President EI Hadj Omar Bongo of the Gabon Republic.)

CHINA CAN ONLY TAKE THE SOCIALIST ROAD

March 3, 1987

The trouble we had recently is now over. In the long run, facts will show that the principles, policies and methods we used to deal with the student unrest and to make

some changes of personnel in the Central Committee were in conformity with the interests of the entire population, and people will see more clearly that those principles, policies and methods were reasonable. Take the change of personnel in the Central Committee, for example. We used to go too far in handling cases of this kind. Bearing in mind the lessons of the past, we have handled Comrade Hu Yaobang's case quite gently. To combat bourgeois liberalization, we are not going to launch a political movement. The struggle will be strictly confined to a limited sphere, so as not to make it seem more serious than it is.

Some people abroad are wondering if China is going to change its present principles and policies. We are not going to change them. Why should we, when they have proved effective over the last eight years?

Now I should like to make two points clear. One is that China can only take the socialist road. The other is that without political stability it would be impossible for us to modernize.

The few intellectuals who incited the students to action oppose the socialist system and advocate bourgeois liberalization. By that I mean they want China to be totally Westernized and to take the capitalist road. Our experience has shown, however, that we cannot take that road. The reason is very simple. Ours is an economically backward country with a population of one billion. If we took the capitalist road, a small number of people in certain areas would quickly grow rich, and a new bourgeoisie would emerge along with a number of millionaires -- all of these people amounting to less than one per cent of the population -- while the overwhelming majority of the people would remain in poverty, scarcely able to feed and clothe themselves. Only the socialist system can eradicate poverty. That is why we do not allow people to oppose socialism. By socialism, we mean socialism adapted to conditions in China. Without the Communist Party's leadership it would be impossible for China to go on building socialism -- that has been proved by history.

To shake off poverty and modernize, China must maintain political stability and unity and carry out socialist construction in an orderly way under the leadership of the Party. Disturbances would make it impossible for us to concentrate on economic development. That is the lesson we have learned from the "cultural revolution". If more troubles were stirred up, there would be a new "cultural revolution".

Most of the students who were involved in the recent disturbances are freshmen or sophomores under the age of 20 who have little experience of society. They went home for the winter vacation, and almost all of them were educated by their families. They were impressed by the improvement in the living standards of their neighbours. Some of them also travelled around a little and found that every family had benefited from what we have done over the last few years. So when they went back to school they admitted that their original ideas and the action they had taken were wrong.

Of course, the struggle against bourgeois liberalization involves a long-term process of education. It will therefore go hand in hand with our modernization drive. To stop a tendency -- the student unrest, for example -- before it gains momentum we have to adopt emergency measures. But in essence the struggle against bourgeois liberalization is a long-term task. It will take 50 to 70 years for us to modernize, and the struggle will have to be carried on throughout that period. Since it is a long-term task, we can only use constant education and persuasion, instead of launching political movements. When necessary, however, we shall resort to administrative or legal measures. It is our firm principle to maintain political stability so that we can carry out the modernization programme in an orderly way.

We have always encouraged our people to have high ideals and moral integrity, to become better educated and to cultivate a strong sense of discipline. Of these, high ideals and a strong sense of discipline are the most important. The ideal we should foster is to strive for socialist modernization. Many people talk only about modernization and forget that our modernization programme is a socialist one. Unless we carry out construction in an orderly way, we shall not succeed in modernizing or in developing economically. That has been our view ever since the Third Plenary Session of the Eleventh Central Committee, held in 1978. Now we are simply adhering to the established principles, policies and political line.

We have not met with too many difficulties in the course of the reform, and in general it is proceeding smoothly. Some people have disagreed with certain aspects of it or with certain particular measures, but not with the reform as a whole. There is no faction in China that is categorically opposed to reform. Some persons in other countries regard me as a reformist and other leaders as conservatives. It is true I am a reformist. But if a person who upholds the [Four Cardinal Principles](#) is a conservative, then I am a conservative. Or to be more exact, I believe in seeking truth from facts.

(Excerpt from a talk with United States Secretary of State George Shultz.)

**WE MUST CARRY OUT SOCIALIST CONSTRUCTION
IN AN ORDERLY WAY UNDER THE LEADERSHIP
OF THE PARTY**

March 8, 1987

The principles our Party has laid down since the Third Plenary Session of its Eleventh Central Committee can be summed up in two points. First, we should adhere to the [Four Cardinal Principles](#) and second, we should strive for socialist modernization. The two goals we have set for our modernization drive are: to achieve a comparatively comfortable standard of living by the end of the century, and to approach the standard of moderately developed countries in another 30 to 50 years after that. To attain these two goals, we need two conditions: a peaceful international environment and political stability

and unity at home. With those conditions we can carry out socialist construction in an orderly way under the leadership of the Party.

With this in mind, we have formulated the policy of opening up both internationally and domestically. Without this policy, it would be impossible for us to modernize. At the same time, we must ensure that the people enjoy more democratic rights and, in particular, that grass-roots units, enterprises, peasants and other people have more power to make decisions. While developing socialist democracy, we should strengthen the socialist legal system, so as to stimulate the people's initiative and enable us to go on with socialist construction in an orderly way under the leadership of the Party. All these policies and principles are interrelated.

The socialism we are building is a Chinese-style socialism. When we decided to open to the outside world, we anticipated that some negative aspects of the capitalist countries would find their way into China. Of course, we should learn from the Western countries whatever is useful, but the negative aspects can have a bad influence, especially on young people. That is why we must at the same time combat bourgeois liberalization, a requirement we have recognized not just today but ever since the Third Plenary Session of the Eleventh Central Committee. Some people are saying we have changed our principles and policies, but they are mistaken. I am sure our principles and policies -- including the policy of promoting more younger cadres to leading posts -- will only be carried out more smoothly.

In the second half of this year we are going to convene the Thirteenth National Congress of the Party. When you see what comes out of the congress, you'll have a better understanding of the question. Generally speaking, four things will remain unchanged: the Four Cardinal Principles, our wholehearted drive for modernization, the opening to the outside world and the reform of our economic and political structures. Let me emphasize that we shall continue our reform and the open policy.

The struggle against bourgeois liberalization will be conducted throughout the process of modernization, at least during the last dozen years of this century and the first 50 years of the next. At the Sixth Plenary Session of the Party's Twelfth Central Committee, held last September, during discussion of the "Draft Resolution on Guiding Principles for Building a Socialist Society with an Advanced Level of Culture and Ideology", some comrades did not agree that the document should include a reference to the need to struggle against bourgeois liberalization. Actually, Comrade Hu Yaobang shared their view. I made a speech at the session. I said that we would have to combat bourgeois liberalization not only now but for the next 10 to 20 years. Today, I add 50 more years to that estimate. If we don't struggle against it, there will be disorder everywhere, with no political stability or unity. Still, since the struggle is a long-term task, we shall use mainly the method of education and persuasion and not launch any political movements. However, if some people are bent on disturbing our tranquillity, we shall have to resort to disciplinary and legal action when necessary, or even to dictatorial means of dealing with them. In short, we need a stable environment to proceed with reform and construction.

The democracy we have in our country is not copied from the West. Recently, in a talk with an American, I said that socialism was the only solution for China and that [capitalism could get China nowhere](#). Our construction can only be carried out in an environment of stability and unity. To ensure such an environment, we have to eliminate all factors that might impede our progress towards socialism or that might lead to unrest and turmoil. That too has been our position not just today but ever since the Third Plenary Session of the Eleventh Central Committee, and it will continue to be our position in future. We shall explain to the people, especially students, the reason for it. That is how we dealt with the recent student unrest. Events of that sort may occur at any time throughout the course of socialist construction.

In the last eight years we have accumulated considerable experience in construction and scored gratifying achievements. This shows the correctness of our policy of adhering to the Four Cardinal Principles and persevering in reform and the opening up. Our goal for the first stage, from 1981 to 1990, is to double the GNP of 1980. We are confident that we can reach that goal ahead of schedule. The goal for the second stage is, by the turn of the century, to double the GNP of 1990. From what we have accomplished so far, I think it should be possible for us to achieve that goal. In the eight years since the Third Plenary Session of the Eleventh Central Committee, living standards have risen visibly. In the year 2000 the total GNP will exceed US\$1 trillion, and per capita GNP, though still low, will reach \$800 to \$1,000. With this fairly good foundation, it will be quite possible for us to proceed to reach the level of the moderately developed countries.

As for the failings such as bureaucratism, overstaffing, official misconduct and so on, to which the students drew attention in their marches and demonstrations, we shall try to overcome them. That is why we have to reform both our economic and political structures.

That's a general account of our tasks for the future.

(Excerpt from a talk with President Ali Hassan Mwinyi of the United Republic of Tanzania.)

HOW TO JUDGE THE SOUNDNESS OF A COUNTRY'S POLITICAL SYSTEM

March 27, 1987

There are three important criteria for judging the soundness of a country's political system or structure and of its policies. First, whether the country is politically stable; second, whether the system and policies help to strengthen unity among the people and to raise their living standards; and third, whether the productive forces keep developing. In the last eight years we have scored some achievements in these three respects. Still, ours is a country with a huge population, a vast territory and a poor economic foundation to

start with, so we have many difficulties to overcome. Nevertheless, I think our future is bright.

We should not shout empty slogans about socialism, for socialism cannot be built on the basis of poverty. Since conditions differ from one country to another, their policies should also differ. In our effort to build socialism we stress that it must have specifically Chinese characteristics. We have profound faith in Marxism, but we must integrate it with Chinese realities. Only Marxism that is integrated with Chinese realities is the genuine Marxism we need. It is on this understanding that we have been striving to attain our development goals.

Peasants constitute 80 per cent of our population. So without the initiative of the peasants, China cannot develop. Eight years ago we introduced the open policy in the countryside, and it has proved successful. The initiative of the peasants has been aroused. The output of farm products has substantially increased and a great amount of surplus labour in the countryside has moved to new, rising small and medium-sized enterprises or to new, rising cities and towns. This may be the only solution for the surplus labour in the countryside. In any event, peasants should not be confined to small plots of land forever. If they were, how could they prosper?

(Excerpt from a talk with President Paul Biya of the Republic of Cameroon.)

**SPEECH AT A MEETING WITH THE MEMBERS OF
THE COMMITTEE FOR DRAFTING THE BASIC
LAW OF THE HONG KONG SPECIAL
ADMINISTRATIVE REGION**

April 16, 1987

I am here to meet with you today for just one purpose. It has been nearly two years since we last met, and I should like to thank you for all your hard work.

The committee has been working for a year and eight months. Thanks to your perseverance and intelligence, your work has been making good progress, and you have been cooperating with each other very well. This will facilitate a smooth transition for Hong Kong. The success of our "one country, two systems" formula should be guaranteed by the basic law of the Hong Kong Special Administrative Region. This law will serve as a model for Macao and Taiwan. It is therefore very important. It is something new, without precedent in world history. You still have three years in which to draft the best possible document.

Today I should like to talk about some things that will not change. Our policy on Hong Kong will not change for 50 years after it is reunited with the motherland in 1997. That policy, along with the basic law you are now drafting, will remain in force for at least 50 years. And I want to add that there will be even less need to change them after the 50-

year period. Hong Kong's status will not change, nor will our policy towards Hong Kong or Macao. After Taiwan is reunified with the mainland under the "one country, two systems" formula, our policy towards Taiwan will also remain unchanged for 50 years. There will be no change either in our policy of opening up at home and opening to the outside world.

By the end of this century China's per capita GNP will reach between US \$800 and \$1,000 -- we have hopes that it will be \$1,000. I am afraid that China will still rank below 50th place among the more than 100 countries in the world, but there will be a difference in its strength. Our population will have reached 1.2 to 1.25 billion, and total GNP will be between \$1 trillion and \$1.2 trillion. Since our socialist system is based on public ownership, and since our goal is to achieve common prosperity, we shall then have a society in which the people lead a fairly comfortable life -- that is, everyone's standard of living will have been raised. More important, if with this as a foundation we can continue to develop, in another 50 years we shall again quadruple our per capita GNP to \$4,000. This will put China among the moderately developed countries, though its place will still be lower than that of dozens of others. At that time, with a population of 1.5 billion producing a GNP of \$6 trillion (calculated in accordance with the 1980 exchange rate of the renminbi yuan against the U.S. dollar), China will surely be in the front ranks of the countries of the world. And thanks to our socialist system of distribution, not only will there be a change in China's national strength, but the people's standard of living will be higher.

What conditions are necessary for us to achieve this goal? First, China needs political stability. Why did we take the student unrest so seriously and deal with it so quickly? Because China could not afford any more disorder or unrest. We must put the overall national interests above all else. The key to China's development is political stability. The second condition is that the current policy must remain unchanged. As I have just said, the importance of that can be seen from the goals we have set for the next few decades. For example, right now people are talking about the problem of privately hired labour. I have said to many comrades that it is not worth showing that we are taking action on this question and that we can wait a couple of years. At first I said we could wait two years; now two years have passed, and I'd say we should still wait. In general, it is only small enterprises and peasant households working under the contracted responsibility system that are hiring outside help. Compared with the more than one hundred million workers and administrative personnel in public enterprises and institutions throughout the country, the number of privately hired workers is very small. In terms of the overall situation, there are only very few of them. It would be easy to take action against the practice of hiring labour, but if we did that, people might think we were changing our policy again. Of course, we must take action, because we do not want polarization. But we have to consider carefully when and how to do it. By taking action I mean attaching some restrictions to the practice. In dealing with matters like this, we should bear in mind that we must not unthinkingly cause uncertainty or confusion. That is what I mean by taking the overall situation into consideration. It is important for us to encourage people to use their heads and find ways to develop our economy in a pioneering spirit. We should not dampen their initiative; that would not be good for us.

So, both the political situation and the policy should remain stable. Making no change means stability. If the policy is successful, yielding the desired results in the 50-year period after 1997, we shall have little reason to change it then. That is why I say that after the motherland is reunified under the "one country, two systems" formula, our policy towards Hong Kong, Macao and Taiwan will not change for 50 years and that it will remain unchanged even beyond that period. Of course, I won't be around at the time, but I am convinced that our successors will understand this reasoning.

There is something else that will not change. People are happy that the Communist Party and the government of China mean to keep the policy of opening to the outside world unchanged. But whenever they hear the leaves rustling in the wind -- as now, when we are opposing bourgeois liberalization -- they wonder if the policy is changing. They overlook the fact that there are two basic aspects to China's policy. When we say there will be no change, we refer to both aspects, not just one. The aspect that people overlook is adherence to the [Four Cardinal Principles](#), which include upholding the socialist system and leadership by the Communist Party. They suspect that China's open policy is changing, but they never ask about the socialist system. That system will not change either!

We decided long ago to uphold the socialist system and the Four Cardinal Principles, and that decision has been written into the Constitution. It was also on the understanding that the main body of the country would adhere to the Four Cardinal Principles that we formulated our policy towards Hong Kong, Macao and Taiwan. If it were not for the Communist Party and China's socialist system, who would have been able to formulate a policy like that? No individual or political party would have had the courage and farsightedness. Isn't that so? Nobody could have done it without courage and resourcefulness. But courage and resourcefulness must have a basis, which in this case consisted of the socialist system and socialist China under the leadership of the Communist Party. We are building socialism suited to Chinese conditions, which is why we were able to formulate the policy of "one country, two systems" and why we can allow the two different systems to coexist. We would not be able to do this if we lacked courage, the courage that comes from the support of the people. Our people support the socialist system and leadership by the Party.

Any view that neglects the Four Cardinal Principles is one-sided. When considering whether China's policy will change, one must also take into consideration whether this aspect will change. To be honest, if this aspect changed, it would be impossible to keep Hong Kong prosperous and stable. To keep Hong Kong prosperous and stable for 50 years and beyond, it is essential to maintain the socialist system under the leadership of the Communist Party. Our socialist system is a system with Chinese characteristics. One important characteristic is our way of handling the [question of Hong Kong](#), Macao and Taiwan, or the "one country, two systems" policy. This is something new. It was created not by the United States, Japan, the Soviet Union or any European country, but by China; that is why we call it a Chinese characteristic. When we say the policy will not change, we mean the policy as a whole -- that no aspect of it will change. If any aspect changes,

the others will be affected. I should therefore like to ask you to explain this principle to our friends in Hong Kong.

Try to imagine what would become of Hong Kong if China changed its socialist system, the socialist system with Chinese characteristics under the leadership of the Communist Party. That would be the end of prosperity and stability for Hong Kong. To make sure the policy remains unchanged for 50 years and beyond, we must keep the socialist system on the mainland unchanged. By combating bourgeois liberalization, we mean to ensure that our socialist system does not change and that the whole policy and the policy of opening up domestically and internationally do not change either. If they changed, we would have no hope of building a society in which our people lead a fairly comfortable life by the end of this century, or of reaching the level of the moderately developed countries by the middle of the next. At present, the entire world economy is under the control of international monopoly capital, and the world market is dominated by it. It would be difficult for any country to break out of this situation, and especially for a poor country like China. Without the policies of reform and opening to the outside, we would never be in a position to compete. You know this better than we do; it is exceedingly difficult. People have been talking a great deal about whether or not China's policy will change, and I think they will still be talking about it at the end of this century and into the next. We shall let facts speak for themselves.

Some people are saying that China is pulling back on its policies of reform and opening to the outside world. I must say that there are some problems with commodity prices and that we have slightly reduced our investment in capital construction. But we should look at this problem from an overall point of view. It is only natural that when taking a step forward we should contract some things and expand others. Overall, what we want is to open up domestically and internationally. Our open policy will certainly continue; the problem is that we have not yet opened wide enough. Carrying out reform and opening to the outside are difficult tasks, requiring great courage and resolution. But unless we persevere in them, we shall have no way out and no hope of modernizing the country. Still, in dealing with specific matters, we must be cautious and learn from our experience as we go along. After we have taken a step, we must review what we have done to find out what needs to be speeded up, what needs to be slowed down and what needs to be contracted. That is the way we have to proceed; we must not rush headlong into things. Whenever we introduce restrictions somewhere, there are people who think that we have changed our policy, but that is not true.

There are also two aspects to the policy of "one country, two systems". One is that the socialist country allows certain special regions to retain the capitalist system -- not for just a short period of time, but for decades or even a century. The other is that the main part of the country continues under the socialist system. Otherwise, how could we say there were "two systems"? It would only be "one system". People who advocate bourgeois liberalization hope that the mainland will become capitalist or "totally Westernized". Our thinking on this question should not be one-sided. If we don't attach equal importance to both aspects, it will be impossible to keep the policy of "one country, two systems" unchanged for several decades.

Mike Wallace, an American journalist, once asked me why Taiwan should want to be reunified with the mainland, since the economic level on the mainland was so much lower. My answer was that there were two main reasons. First, the reunification of the country has long been the aspiration of all the Chinese people, an aspiration they have shared for a century and several decades, nearly a century and a half. Ever since the [Opium War](#), reunification has been the common desire not just of one political party or group but of the whole Chinese nation, including the people in Taiwan. Second, unless Taiwan is reunified with the mainland, its status as a part of China's territory would remain uncertain, and it might someday be seized by another country. Internationally, many people have been making an issue of Taiwan for their own purposes. Once Taiwan and the mainland are reunified, even if everything in Taiwan, including its current system, remains the same, its situation will be stable. Therefore, the people on both sides of the Taiwan Straits believe that the settlement of this question will be a great event, a great contribution to the country and the Chinese nation.

Now I should like to say something more about the drafting of the basic law. I have said the law should not be weighed down with too much detail. Furthermore, Hong Kong's system of government should not be completely Westernized; no Western system can be copied in toto. For a century and a half Hong Kong has been operating under a system different from those of Great Britain and the United States. I am afraid it would not be appropriate for its system to be a total copy of theirs with, for example, the separation of the three powers and a British or American parliamentary system. Nor would it be appropriate for people to judge whether Hong Kong's system is democratic on the basis of whether it has those features. I hope you will sit down together to study this question.

So far as democracy is concerned, on the mainland we have socialist democracy, which is different in concept from bourgeois democracy. Western democracy includes, among other features, the separation of the three powers and multiparty elections. We have no objection to the Western countries doing it that way, but we on the Chinese mainland do not have such elections, nor do we separate the three powers or have a bicameral legislature. We have a unicameral legislature, the National People's Congress, which best conforms to China's realities. As long as it keeps to the right policies and direction, such a legislative body helps greatly to make the country prosper and to avoid much wrangling. Of course, if the policies are wrong, any kind of legislative body is useless.

Would it be good for Hong Kong to hold general elections? I don't think so. For example, as I have said before, Hong Kong's affairs will naturally be administered by Hong Kong people, but will it do for the administrators to be elected by a general ballot? We say that Hong Kong's administrators should be people of Hong Kong who love the motherland and Hong Kong, but will a general election necessarily bring out people like that? Not long ago the Governor of Hong Kong, Sir David Wilson, said that things should be done gradually, a view that I think is realistic. Even if a general election were to be held, there would have to be a transition period -- it would have to be a gradual process. I once told one of our foreign guests that general elections could be held on China's mainland half a century from now, sometime in the next century. At present, indirect elections are held for posts above the county level, and direct elections are held for those at the county level

and below. Because we have one billion people, and their educational level is not very high, conditions are not yet ripe for direct elections. The truth is, not everything that can be done in one country can be done in another. We must be realistic and determine our system and our methods of administration in light of our own specific conditions.

There is another point that I should make clear. Don't ever think that everything would be all right if Hong Kong's affairs were administered solely by Hong Kong people while the Central Government had nothing to do with the matter. That simply wouldn't work -- it's not a realistic idea. The Central Government certainly will not intervene in the day-to-day affairs of the special administrative region, nor is that necessary. But isn't it possible that something could happen in the region that might jeopardize the fundamental interests of the country? Couldn't such a situation arise? If that happened, should Beijing intervene or not? Isn't it possible that something could happen there that would jeopardize the fundamental interests of Hong Kong itself? Can anyone imagine that there are in Hong Kong no forces that might engage in obstruction or sabotage? I see no grounds for taking comfort in that notion. If the Central Government were to abandon all its power, there might be turmoil that would damage Hong Kong's interests. Therefore, it is to Hong Kong's advantage, not its disadvantage, for the Central Government to retain some power there.

You should soberly consider this point: Isn't it possible that there might some time arise in Hong Kong a problem that could not be solved without Beijing's intervention? In the past when Hong Kong ran into a problem there was always Britain that could intervene. There will always be things you will find hard to settle without the help of the Central Government.

It is the policy of the Central Government that the interests of Hong Kong should not be harmed, and we also hope that nothing will happen in Hong Kong itself that will harm its interests or the interests of the country as a whole. But what if something did happen? I should like to ask you to think this over and take it into consideration when drafting the basic law. You should also consider a few other things. For example, after 1997 we shall still allow people in Hong Kong to attack the Chinese Communist Party and China verbally, but what if they should turn their words into action, trying to convert Hong Kong into a base of opposition to the mainland under the pretext of "democracy"? Then we would have no choice but to intervene. First the administrative bodies in Hong Kong should intervene; mainland troops stationed there would not necessarily be used. They would be used only if there were disturbances, serious disturbances. Anyway, intervention of some sort would be necessary.

In short, the concept of "one country, two systems" is something new. In applying it we may run into many things we don't anticipate. The basic law will be an important document, which you should draft very carefully, proceeding from realities. I hope it will be a good law that truly embodies the concept of "one country, two systems" and makes it practicable and successful.

TO UPHOLD SOCIALISM WE MUST

ELIMINATE POVERTY

April 26, 1987

Our current principles and policies were formulated at the Third Plenary Session of our Party's Eleventh Central Committee, held in 1978. Over the last eight years we have done relatively good work. Before that we lost too much time, especially the decade of the "cultural revolution", when we created troubles for ourselves with disastrous results. But we have learned from experience: these principles and policies are the product of the lessons we learned from the "cultural revolution". The fundamental thing we have learned is that we must be clear about what socialism and communism are and about how to build socialism. The way to build socialism must be determined by the particular conditions in each country. I believe you can understand why we propose to build a socialism adapted to conditions in China.

In the past we stayed in a rut, engaging in construction behind closed doors, and many years of hard work did not produce the desired results. It is true that our economy was gradually expanding and that we succeeded in developing certain things, such as the atomic bomb, the hydrogen bomb and even intercontinental ballistic missiles. But on the whole, the economy grew slowly or remained at a standstill for long periods, and our people were still living in poverty. During the "cultural revolution" the Gang of Four raised the absurd slogan, "Better to be poor under socialism and communism than to be rich under capitalism." It may sound reasonable to reject the goal of becoming rich under capitalism. But how can we advocate being poor under socialism and communism? It was that kind of thinking that brought China to a standstill. That situation forced us to re-examine the question.

Our first conclusion was that we had to uphold socialism and that to do that we had, above all, to eliminate poverty and backwardness, greatly expand the productive forces and demonstrate the superiority of socialism over capitalism. To this end, we had to shift the focus of our work to the drive for modernization and make that our goal for the next few decades. At the same time, experience has taught us that we must no longer keep the country closed to the outside world and that we must bring the initiative of our people into full play. Hence our policies of opening up and reform. Our open policy has two aspects: domestic and international. We began with the countryside, applying the open policy there, and we achieved results very quickly. In some places it took only one or two years to get rid of poverty. After accumulating the necessary experience in the countryside, we shifted the focus of reform to the cities. The urban reform has been under way for nearly three years, but much remains to be done. We also obtained quick results from the open policy internationally.

China lags behind in science and technology. We have quite a few problems to solve, especially the problem of our huge population, which already stands at 1.05 billion. This makes it very difficult for us to raise the people's income and to eliminate poverty and backwardness in a short time. In everything we do we must proceed from reality, seeing

to it that our targets are realistic and that enough time is allowed to fulfil them. In the last quarter of 1984 and throughout 1985 our economy grew at quite a rapid rate, and that caused us some problems. That's why we needed some readjustment and contraction. But this had its good side too, because we learned from the experience.

On the whole, our goals are not too ambitious. We give ourselves 20 years -- that is, from 1981 to the end of the century -- to quadruple our GNP and achieve comparative prosperity, with an annual per capita GNP of US\$800 to \$1,000. Then we shall take that figure as a new starting point and try to quadruple it again, so as to reach a per capita GNP of \$4,000 in another 50 years. What does this mean? It means that by the middle of the next century we hope to reach the level of the moderately developed countries. If we can achieve this goal, first, we shall have accomplished a tremendous task; second, we shall have made a real contribution to mankind; and third, we shall have demonstrated more convincingly the superiority of the socialist system. As our principle of distribution is a socialist one, our per capita GNP of \$4,000 will be different from the equivalent amount in the capitalist countries. For one thing, China has a huge population. If we assume that by the mid-21st century our population will have reached 1.5 billion and that we shall have a per capita GNP of \$4,000, then our total annual GNP will be \$6 trillion, and that will place China in the front ranks of nations. When we reach that goal, we shall not only have blazed a new path for the peoples of the Third World, who represent three quarters of the world's population, but also -- and this is even more important -- we shall have demonstrated to mankind that socialism is the only path and that it is superior to capitalism.

So, to build socialism it is necessary to develop the productive forces. Poverty is not socialism. To uphold socialism, a socialism that is to be superior to capitalism, it is imperative first and foremost to eliminate poverty. True, we are building socialism, but that doesn't mean that what we have achieved so far is up to the socialist standard. Not until the middle of the next century, when we have reached the level of the moderately developed countries, shall we be able to say that we have really built socialism and to declare convincingly that it is superior to capitalism. We are advancing towards that goal.

In the course of building socialism and trying to modernize we have encountered some interference from the ``Left". Since the Third Plenary Session of the Eleventh Central Committee of our Party, we have been concentrating on combating ``Left" mistakes, because those are the ones we have made in the past. But there has also been interference from the Right. By that we mean the call for wholesale Westernization, which would lead not to socialism but to capitalism. We have already coped with the recent widespread ideological trend in favour of bourgeois liberalization and made some changes of personnel.

In short, we shall unswervingly follow the road mapped out since that Plenary Session. We have been marching down this road for more than eight years. I think there is no doubt that we shall attain the goal we have set for the end of the century. Although the next goal, for the 50 years after that, will be harder to reach, I am convinced that we can reach that one too.

(Excerpt from a talk with Premier Lubomir Strougal of the Czechoslovak Socialist Republic.)

**WE SHALL DRAW ON HISTORICAL EXPERIENCE
AND GUARD
AGAINST WRONG TENDENCIES**

April 30, 1987

The overall situation in China is good. Since the downfall of the Gang of Four and the convocation of the Third Plenary Session of the Party's Eleventh Central Committee in 1978, we have formulated a series of new principles and policies that have proved sound in practice. But this is only a beginning. Our goal for the first step is to reach, by 1990, a per capita GNP of US\$500, that is, double the 1980 figure of \$250. The goal for the second step is, by the turn of the century, to reach a per capita GNP of \$1,000. When we reach that goal, China will have shaken off poverty and achieved comparative prosperity. When the total GNP exceeds \$1 trillion, the national strength will increase considerably, although per capita GNP will still be very low. The goal we have set for the third step is the most important one: quadrupling the \$1 trillion figure of the year 2000 within another 30 to 50 years. That will mean a per capita GNP of roughly \$4,000 -- in other words, a medium standard of living. That target may not seem high, but it is a very ambitious goal for us, and it won't be easy to achieve.

We are now confident that we can attain our first goal ahead of schedule, this year or next. That doesn't mean it will be easy to reach the second goal, but I think we can do it. Our third goal will be much harder to reach than the first two. Our experience over the last eight years or so shows that the road we have taken is the right one. But it is only after the third step that we shall really be able to show the superiority of socialism over capitalism -- that's something we can't prove at the moment. We shall have to work hard for another 50 or 60 years. By then, people of my age will be gone, but I have no doubt that the younger generations will reach the third goal.

The image of China has really changed since the founding of the People's Republic. For more than a century after the [Opium War](#) China was subjected to humiliation, and the Chinese people were looked down upon. After 28 years of hard struggle under the leadership of the Communist Party, the people defeated the imperialist aggressors and overthrew the regime of [Chiang Kai-shek](#). In 1949, when the People's Republic of China was founded, the Chinese people finally stood up. It is true that in the 38 years since then we have made a lot of mistakes. Our basic goal -- to build socialism -- is correct, but we are still trying to figure out what socialism is and how to build it. The primary task for socialism is to develop the productive forces. Our seizure of state power in 1949 liberated those forces as a whole, and the agrarian reform liberated the productive forces of the peasants, who constitute 80 per cent of China's population. So far so good. But we did a poor job of expanding the productive forces. That was chiefly because we were in too much of a hurry and adopted "Left" policies that hindered their development instead of

accelerating it. We began making "Left" mistakes in the political domain in 1957; in the economic domain those mistakes led to the Great Leap Forward of 1958, which resulted in enormous damage to production and much hardship for the people. From 1959 through 1961 we experienced tremendous difficulties -- people didn't have enough to eat, not to mention anything else. In 1962 things began to look up, and production was gradually restored to its former level. But the "Left" thinking persisted.

Then in 1966 came the "cultural revolution", which lasted a whole decade, a real disaster for China. During that period many veteran cadres suffered persecution, including me. I was labelled the "No. 2 Capitalist Roader" after [Liu Shaoqi](#). Liu was called "commander-in-chief of the bourgeois headquarters" and I "deputy commander-in-chief". Many strange things happened in those days. For instance, people were told that they should be content with poverty and backwardness and that it was better to be poor under socialism and communism than to be rich under capitalism. That was the sort of rubbish peddled by the Gang of Four. There is no such thing as socialism and communism with poverty. The ideal of Marxists is to realize communism. According to Marx, communist society is a society in which the principle of from each according to his ability, to each according to his needs is applied. What is the principle of to each according to his needs? How can we apply this principle without highly developed productive forces and vast material wealth? According to Marxism, communist society is a society in which there is overwhelming material abundance. Socialism is the first stage of communism; it means expanding the productive forces, and it represents a long historical period. Only if we constantly expand the productive forces can we finally achieve communism. The Gang of Four's absurd theory of socialism and communism led only to poverty and stagnation.

In the first couple of years after we had smashed the Gang of Four not all the "Left" mistakes that had been made were corrected. The years 1977 and 1978 were a period of hesitation in China. It was not until December 1978, when the Eleventh Central Committee convened its Third Plenary Session, that we began to make a serious analysis of our experience in the 30 years since the founding of new China. On the basis of that analysis we formulated a series of new policies, notably the policy of reform and the policy of opening up both internationally and domestically. We set forth a new basic line, which was to shift the focus of our work to economic development, clearing away all obstacles and devoting all our energies to the drive for socialist modernization. To achieve modernization and to implement the reform and the open policy we need political stability and unity at home and a peaceful international environment. With this in mind, we have established a foreign policy which in essence comes down to opposing hegemonism and preserving world peace.

In the last eight years our work has been successful, and the overall situation is good. That doesn't mean we haven't met with any obstacles. It's not so easy to rectify the "Left" thinking that has prevailed for several decades. "Left" thinking is our chief target because people have become used to it. There are not many in China who oppose reform. But in formulating and implementing specific policies, some people unintentionally reveal a yearning for the past. That's because old habits of thinking tend to reassert

themselves. At the same time we have also encountered interference from the Right. Certain individuals, pretending to support the reform and the open policy, call for wholesale Westernization of China in an attempt to lead the country towards capitalism. These people don't really support our policies; they are only trying vainly to change the nature of our society. If China were totally Westernized and went capitalist, it would be absolutely impossible for us to modernize. The problem we have to solve is how to enable our one billion people to cast off poverty and become prosperous. If we adopted the capitalist system in China, probably a small number of people would be enriched, while the overwhelming majority would remain in a permanent state of poverty. If that happened, there would be a revolution in China. China's modernization can be achieved only through socialism, not capitalism. There have been people who have tried to introduce capitalism into China, and they have always failed.

Generally speaking, we have changed the image of China, although in our efforts to build socialism we have made mistakes. There has been interference both from the Right and from the "Left", the "Left" interference being the more dangerous. That's because people have become accustomed to "Left" thinking, and it's not easy to change their ideology. As for some of our young people, they should be on guard against Right thinking, especially because they are not clear about what capitalism is and what socialism is. So we have to educate them about these things.

In our efforts to modernize, to introduce reform and to open to the outside world, we may encounter dangers and difficulties. And we may make fresh mistakes, because China is such a big country and what we are doing is something that has never been done here before. Since China has its own characteristics, we can only run our affairs in accordance with the specific conditions in China. Of course, we can learn from the experience of others, but we must never copy everything. Since reform is a brand-new undertaking, mistakes are inevitable. We must not be afraid of making mistakes, and temporary setbacks must not make us abandon the reform and just mark time. We have to be daring, or we shall never be able to modernize. But we also have to be cautious about introducing particular reforms and review our experience regularly. Minor errors are inevitable, but we should try to avoid major ones.

(Excerpt from a talk with Alfonso Guerra, Deputy General Secretary of the Spanish Workers' Socialist Party and Vice-Premier of Spain.)

BE ON GUARD AGAINST ATTEMPTS TO REVIVE MILITARISM IN JAPAN

May 5, 1987

Friendly relations between China and Japan and between our two peoples began to develop in the era of Chairman Mao Zedong and Premier Zhou Enlai. Many of our friends in Japan, including those from political, academic and press circles, have worked hard and accomplished a great deal over the last several decades. One of the pioneers

who have been helping to promote good relations between the two countries is Mr. Tokuma Utsunomiya. All of our friends present here today have been working for dozens of years to improve relations between China and Japan. The Chinese people hope for good relations with the Japanese people, and more than 90 per cent of Japanese also want to see good relations between the two countries.

If there is anything the matter in Sino-Japanese relations, it is the possibility that a handful of people in Japan, some of whom probably have political influence, may revive militarism there -- that is what the Chinese are concerned about. It's the only thing that worries us. But the Chinese people are glad to see that the overwhelming majority of Japanese are opposed to such a revival. Over the last century Japanese militarism has brought suffering not only to the Chinese people and to the peoples of other Asian countries but also to the Japanese people themselves. We think the many people in press and political circles in Japan who criticize militarism and are on guard against its revival are to be commended. Not only should efforts to criticize and expose this tendency be stepped up, but more should be done to promote good relations between our two countries and peoples and to deepen our friendship and our understanding of each other.

The slogan "the Chinese and Japanese peoples should live in friendship from generation to generation" represents an ideal for all of us. We should remember that this slogan was not proposed today but more than thirty years ago. Furthermore, it was proposed not by one individual but by both the Chinese and Japanese.

(Excerpt from a talk with Tokuma Utsunomiya, President of the Japanese-Chinese Friendship Association and member of the Japanese House of Councillors, and other friends from Japan.)

REFORM AND OPENING TO THE OUTSIDE WORLD CAN TRULY INVIGORATE CHINA

May 12, 1987

Although I have not been to your country, I know that much land in the Netherlands was reclaimed from the sea, and your spirit of hard work is marvelous. In China we have a saying, "[The foolish old man removed mountains.](#)" This represents a tradition of our nation. One might say of your people "The foolish old man reclaimed land from the sea." China's average per capita amount of arable land is small, and yours is even smaller, but you have been successful in your work, and your country has become a big exporter of farm products. So we should learn from you.

We are happy to see you here in China for the second time. When you came in 1973 the "cultural revolution" [1966-1976] was still going on. At the time [the Gang of Four was in power and running wild](#), and the people were oppressed and deeply worried about the future of the country. The society as a whole was at a standstill. The first couple of years after the "cultural revolution" were a period of hesitation. It was not until December

1978, when the Eleventh Central Committee of the CPC convened [its Third Plenary Session](#), that we began to invigorate the country by devoting all our energies to things the people wanted us to do. In the eight years since that session we have taken the first step in our new Long March towards modernization. Our decision to concentrate on economic development was correct. To make economic development a success, we decided to open up domestically and internationally, which has also proved correct.

In the last eight years we have only taken the first step. We have scored notable achievements in developing the economy, but we still have not shaken off poverty and backwardness. Our first goal is to achieve comparative prosperity by the end of the century, or in thirteen years from now. Our next goal is to reach the level of the moderately developed countries in the first 50 years of the next century. By then the overall strength of our country will have increased, which will enable us to make more contributions to mankind and to play a greater role in solving the world's North-South problem. These are our aspirations.

With regard to the international situation, it seems to me that relatively long-lasting peace is possible and that war can be avoided. Our two countries share this view. It was on the basis of this appraisal of the international situation that in 1978 we decided to devote all our energies to economic development. Without a peaceful environment, economic development would be out of the question. At the same time that we determined the policies for domestic development, we also made some adjustments in our foreign policy. We pursue an independent foreign policy of peace, a policy that helps to preserve world peace. We do not "play the card" of any other country; in other words we do not play the "Soviet card" or the "U.S. card". Nor do we allow others to play the "China card".

In analysing the world situation, we pay particular attention to Europe, because Europe is the key area determining whether there will be peace or war. For a very long time our relations with the East European countries were not normal. Having made an objective analysis of the world situation, we believe that the East and West European countries represent forces safeguarding peace. Those countries need to develop, and the more they develop, the greater force they will become for peace. Why do we say that Europe is a force for peace? Because Europe has gone through two catastrophic world wars. If there were to be a third world war, only the two superpowers would have the capacity to unleash it. And once the war began, Europe would be the first to bear the brunt of it. We are hoping for a united, strong and developed Europe. As long as the countries of Europe -- I mean both Eastern and Western Europe -- do not harness themselves to another country's war chariot, war will not break out.

So we think that a relatively long period of peace is possible. If, in the first 50 years of the next century, all Europe and the countries of the Third World, including China, can make gratifying progress in developing their economies, the danger of war can truly be eliminated. We have the impression that Europe is comparatively liberal, especially about the transfer of technology; we are pleased on that score, although we are not completely satisfied. We have established the policy of developing friendly and cooperative relations with Europe, including both Eastern Europe and Western Europe. That's not just for the

purpose of developing our economy but also for the purpose of safeguarding world peace. Our policy towards the Netherlands is the same as that towards the whole European Community. We are also developing relations with Eastern Europe, which is a new policy for us.

You may not be very familiar with the history of the Chinese Communist Party. It has followed a tortuous path. For a long time the Party did good work, but it also made mistakes of various kinds. During the later period of the Great Revolution, from 1925 to 1927, [Chen Duxiu](#) made Right opportunist mistakes, which led to the defeat of the revolution. Our Party was driven underground and forced to fight a protracted war with [Chiang Kai-shek](#). During the early 1930s [Wang Ming](#) made the mistake of "Left" opportunism, as a result of which most of our revolutionary bases were destroyed by the enemy and the revolutionary army was reduced from 300,000 to 30,000. Why did we begin the Long March? We were forced to do so. Beginning in 1935 our Party, under the correct leadership of Comrade Zedong, led the people successfully in the War Against Japanese Aggression and the War of Liberation. And in 1949 the People's Republic of China was founded.

During the first eight years after the founding of New China we carried out the socialist transformation of ownership of the means of production and set up some basic industries. For more than twenty years after 1935 we did good work. But in 1957 we made another mistake when we expanded an anti-Rightist struggle to include as targets many persons who were not, in fact, [Rightists](#). Then in 1958, being too impatient for development, we initiated [the Great Leap Forward](#) and established [people's communes](#), which were also mistakes and brought about disastrous results. It took three years for us to correct our mistakes and for things to begin to look up. We turned the economy around, but we still didn't have a correct ideological guideline. So in 1966 came the "cultural revolution", which lasted a whole decade.

Why am I telling you about this history? Because our present line, principles and policies were formulated after we reviewed our successes and our failures and reverses. The experience of successes is valuable, and so is the experience of mistakes and defeats. Formulating principles and policies in this way enables us to unify the thinking of the whole Party so as to achieve a new unity; unity formed on such a basis is most reliable. Some people say that we have conservative and reformist factions, but that is only conjecture on their part. The facts show that the reform is correct and very effective. If our foreign friends can all see how much has changed in China and how well we have been doing, how could our own people fail to notice? The people are discerning, and they can judge from their own experience. In the past they didn't have enough food and clothing, but now not only are they well fed and clothed, but they have modern articles for daily use, so they are pleased. This being the case, we are not going to change our current policies. The stability of our policies reflects the stability of the Party. Recently our Party's General Secretary resigned, which in your country would not be seen as anything extraordinary. But probably because we were not open enough in the past, any time a change occurred in China it was considered a big problem. Actually it was no big problem, and we solved it quickly.

When we say we are opposed to bourgeois liberalization, we mean we are opposed to the wholesale Westernization of China, to abandoning Party leadership and the socialist system. Since opposition to bourgeois liberalization is a long-term task, we are not going to launch a political movement but to rely on education. Besides this is not a problem that can be solved through political movement. All work will be carried out as usual. Next fall we are going to convene [the Thirteenth Party Congress](#), and there we shall explain our current policies more clearly and further define the task of reforming the political structure to adapt it to economic development. There will be no change in our current principles and policies, and the policy of opening up will only expand. That will be true not only for the rest of this century but also when China has reached the level of the moderately developed countries [in the mid-21st century], and it will be even more true after that. China is stable. We have experienced many disasters, and our Party and the country have suffered many setbacks. There are some things people abroad find hard to understand; that is natural, but we know why these things happened.

(Excerpt from a talk with Prime Minister Ruud Lubbers of the Netherlands.)

WE SHALL SPEED UP REFORM

June 12, 1987

Since our two parties resumed contact we have had very good relations. It was [Comrade Tito](#) who visited China first and turned a new page in the history of relations between the two parties. At that time our Party Chairman was Comrade [Hua Guofeng](#). I met with Comrade Tito just as an old soldier. We had a cordial talk and agreed to forget the past and look to the future. This is the attitude we adopted when we resumed relations with other East European parties and countries; we take the present as a fresh starting point from which to develop friendly, cooperative relations. Of course, it's still worthwhile to analyse events of the past. But I think the most important thing is that each party, whether it is big, small or medium, should respect the experience of the others and the choices they have made and refrain from criticizing the way the other parties and countries conduct their affairs. This should be our attitude not only towards parties in power but also towards those that are not in power. When we had talks with representatives of the Communist parties of France and Italy, we expressed this view that we should respect their experience and their choices. If they have made mistakes, it is up to them to correct them. Likewise, they should take the same attitude towards us, allowing us to make mistakes and correct them. Every country and every party has its own experience, which differs from that of the others in a thousand and one ways.

We were opposed to the idea of a "patriarchal party", and our stand on that question has been proved correct. We were also opposed to the notion of a "centre". Unfortunately, we ourselves have been guilty of criticizing other parties. That experience taught us that relations of a new type should be established between parties, and [we therefore formulated a principle to govern such relations](#). I believe that if we abide by it, our

friendship and cooperation will have a more solid and enduring foundation and that relations between the two parties and two countries will steadily improve.

China is now carrying out a reform. I am all in favour of that. There is no other solution for us. After several decades of practice it turned out that the old ways didn't work. We used to copy foreign models mechanically, which only hampered the development of our productive forces, induced ideological rigidity and kept the people and grass-roots units from taking any initiative. We made some mistakes of our own as well, such as [the Great Leap Forward](#) and the "cultural revolution", which were our own inventions. I would say that since 1957 our major mistakes have been "Left" ones. The "cultural revolution" was an ultra-Left mistake. In fact, during the 20 years from 1958 through 1978, China was hesitating, virtually at a standstill. There was little economic growth and not much of a rise in the standard of living. How could we go on like that without introducing reforms? So in 1978, at the Third Plenary Session of [the Eleventh Central Committee](#), we formulated a new basic political line: to give first priority to the drive for modernization and strive to develop the productive forces. In accordance with that line, we drew up a series of new principles and policies, the major ones being reform and the open policy. By reform we mean something comprehensive, including reform of both the economic structure and the political structure and corresponding changes in all other areas. By the open policy we mean opening to all other countries, irrespective of their social systems.

We introduced reform and the open policy first in the economic sphere, beginning with the countryside. Why did we start there? Because that is where 80 per cent of China's population lives. An unstable situation in the countryside would lead to an unstable political situation throughout the country. If the peasants did not shake off poverty, it would mean that China remained poor. Frankly, before the reform the majority of the peasants were extremely poor, hardly able to afford enough food, clothing, shelter and transportation. After the Third Plenary Session of the Eleventh Central Committee, we decided to carry out rural reform, giving more decision-making power to the peasants and the grass-roots units. By so doing we immediately brought their initiative into play, and great changes took place. By diversifying agriculture in accordance with local conditions, the peasants have grown grain and cash crops in places suited to them and have substantially increased the output of both.

The rural reform has achieved much faster results than we had anticipated. Of course, not everyone was in favour of reform at the outset. Two provinces took the lead: Sichuan -- my home province -- and Anhui, led by Comrade [Wan Li](#). It was on the basis of the experience accumulated by those two provinces that we worked out the principles and policies of reform. Some provinces had misgivings about these principles and policies, and others didn't know what to think for one or two years, but in the end they all followed suit. The Central Committee's policy was to wait for them to be convinced by facts.

In the rural reform our greatest success -- and it is one we had by no means anticipated -- has been the emergence of a large number of enterprises run by villages and townships. They were like a new force that just came into being spontaneously. These small enterprises engage in the most diverse endeavours, including both manufacturing and

trade. The Central Committee takes no credit for this. Their annual output value has been increasing by more than 20 per cent a year for the last several years. This increase in village and township enterprises, particularly industrial enterprises, has provided jobs for 50 per cent of the surplus labour in the countryside. Instead of flocking into the cities, the peasants have been building villages and townships of a new type. If the Central Committee made any contribution in this respect, it was only by laying down the correct policy of invigorating the domestic economy. The fact that this policy has had such a favourable result shows that we made a good decision. But this result was not anything that I or any of the other comrades had foreseen; it just came out of the blue. In short, the rural reform has produced rapid and notable results. Of course, that doesn't mean all the problems in the countryside have been solved.

Our success in rural reform increased our confidence, and, applying the experience we had gained in the countryside, we began a reform of the entire economic structure, focused on the cities.

In the meantime, we have implemented the policy of opening China to the outside world in many ways, including setting up [special economic zones](#) and opening [14 coastal cities](#). It was the leaders of Guangdong Province who first came up with the proposal that special zones be established, and I agreed. But I said they should be called special economic zones, not special political zones, because we didn't like anything of that sort. We decided to set up three more special zones in addition to Shenzhen: Zhuhai and Shantou, both also in Guangdong Province, and Xiamen in Fujian. I visited Shenzhen a couple of years ago and found the economy flourishing. The Shenzhen people asked me to write a message for them, and I wrote: "The development and experience of the Shenzhen Special Economic Zone prove that our policy of establishing such zones is correct."

At the time, some people in the Party had doubts about that policy, and some of the people in Hong Kong, whether they were for us or against us, were skeptical too and thought it was incorrect. But the Shenzhen Special Economic Zone has achieved remarkable successes since it was established almost eight years ago. This zone is an entirely new thing, and it is not fair for the people who run it not to be allowed to make mistakes. If they have made mistakes, they were minor ones. The people in Shenzhen reviewed their experience and decided to shift the zone's economy from a domestic orientation to an external orientation, which meant that Shenzhen would become an industrial base and offer its products on the world market. It is only two or three years since then, and already the situation in Shenzhen has changed greatly. The comrades there told me that more than 50 per cent of their products were exported and that receipts and payments of foreign exchange were in balance.

I am now in a position to say with certainty that our decision to establish special economic zones was a good one and has proved successful. All skepticism should by now have vanished. Recently a comrade told me that the Xiamen Special Economic Zone is developing even faster than Shenzhen. When I visited Xiamen in 1984, there was only an airport surrounded by wasteland. Great changes have taken place there since then. [Now](#)

[we are preparing to make all of Hainan Island a special economic zone](#), much larger than the others. Hainan Island, which is almost as big as Taiwan, has abundant natural resources, such as rich iron ore, oil and natural gas, as well as rubber and other tropical and subtropical crops. When it is fully developed, the results should be extraordinary.

In short, our achievements in the last few years have proved the correctness of our policies of reform and of opening to the outside world. Although there are still problems in various fields, I don't think they'll be too hard to solve, if we go at it systematically. So we must not abandon these policies or even slow them down. One of the topics we have been discussing recently is whether we should speed up reform or slow it down. That's because reform and the open policy involve risks. Of course we have to be cautious, but that doesn't mean we should do nothing. Indeed, on the basis of our experience to date, the Central Committee has been considering the possibility of accelerating the reform and our opening to the outside world.

So much for reform of the economic structure.

Now a new question has been raised, reform of the political structure. This will be one of the main topics at the [Thirteenth National Party Congress](#) to be held next October. It's a complicated issue. Every measure taken in this connection will affect millions of people, mainly cadres, including the veterans. When people discuss reform of the political structure, they always talk about democratization, but they are not clear about what that means. The democracy in capitalist societies is bourgeois democracy -- in fact, it is the democracy of monopoly capitalists. It is no more than a system of multiparty elections, separation of judicial, executive and legislative powers and a bicameral legislature. Ours is the system of the people's congresses and people's democracy under the leadership of the Communist Party; we cannot adopt the practice of the West. The greatest advantage of the socialist system is that when the central leadership makes a decision, it is promptly implemented without interference from any other quarters. When we decided to reform the economic structure, the whole country responded; when we decided to establish special economic zones, they were soon set up. We don't have to go through a lot of discussion and consultation, with one branch of government holding up another and decisions being made but not carried out. From this point of view, our system is very efficient. The efficiency I'm talking about is overall efficiency. We have superiority in this respect, and we should keep it -- we should retain the advantages of the socialist system.

In terms of administration and economic management, the capitalist countries are more efficient than we in many respects. China is burdened with bureaucratism. Take our personnel system, for example. I think the socialist countries all have a problem of aging cadres, so that leaders at all levels tend to be rigid in their thinking. Therefore, we must reform the political structure, but in doing so we cannot copy Western democracy, the separation of the three powers or the capitalist system; we must practise socialist democracy. We socialist countries have to work out the content of the reform and specific measures to implement it in the light of our own practice and our own conditions. The particular reform to be carried out in each socialist country is different too. Since each

has a different history, different experience and different current circumstances to confront, their reforms cannot be identical. But we have in common the desire to retain our superiority and avoid the defects and evils that exist in capitalist societies.

What is the purpose of political restructuring? Its general purpose is to consolidate the socialist system, leadership by the Party and the development of the productive forces under that system and that leadership. So far as China is concerned, the reform should make it easier to implement the line, principles and policies laid down by the Party since the Third Plenary Session of its Eleventh Central Committee. To this end we have to do the following, I believe: (1) revitalize the Party, the administrative organs and the whole state apparatus, so that they are staffed with people whose thinking is not ossified and who can bring fresh ideas to bear on new problems; (2) increase efficiency; and (3) stimulate the initiative of the people and of the grass-roots units in all fields of endeavour.

About revitalization. Here, it is crucial to have younger leading cadres at all levels. In China the problem of aging cadres with rigid ideas is more serious than it is in your country. For example, in the Central Committee of our Party the average age of members is higher than it is in any other Communist party in the world. The average age of the members of our Political Bureau, of its Standing Committee and of the Secretariat of the Central Committee is also quite high. There was no such problem when the People's Republic of China was founded. At that time the leaders were young. The problem of aging didn't manifest itself until the Eleventh National Party Congress [held in August 1977]. There was an objective reason for this: a great many veterans who had been brought down during the "cultural revolution" had been rehabilitated and reinstated in their leading posts at an advanced age.

This problem exists in leading organs at all levels of the Party and government and in all fields of endeavour. It is a problem peculiar to China. In general, old people tend to be conservative. They all have one thing in common: they consider problems only in the light of their personal experience. In today's world things are moving with unprecedented rapidity, especially in science and technology. There is an old saying in China, "Progress is made every day", and that's the way things are today. We must keep abreast of the times; that is the purpose of our reform. We must firmly carry out the policy of promoting younger leading cadres, but we must be cautious. And we should not regard youth as the only criterion for promoting cadres. They should have political integrity and professional competence, broad experience and familiarity with conditions, so that they will form an echelon of leaders of different ages. We are bound to meet with obstacles, and we shall have to overcome them. It's going to take a lot of effort.

Increasing efficiency and eliminating bureaucratism include, among other things, streamlining Party and government organs.

To stimulate the people's initiative, the most important thing is to delegate power to lower levels. The reason our rural reform has been so successful is that we gave the peasants more power to make decisions, and that stimulated their initiative. We are now applying this experience to all fields of work.

When the people's initiative is aroused, that's the best manifestation of democracy. As to how to put democracy into practice in different forms, that depends on specific conditions. Take general elections for instance. We hold direct elections at the primary level -- that is, for township and county posts, district posts in cities, and municipal posts in cities that are not divided into districts -- and we hold indirect elections at the provincial and autonomous-region level, at the municipal level in cities that are divided into districts, and at the central level. China is such a huge country, with such an enormous population, so many ethnic groups and such varied conditions, that it is not yet possible to hold direct elections at higher levels. Furthermore, the people's educational level is too low.

Speaking of different parties, China also has a number of democratic parties, and they all accept leadership by the Communist Party. Ours is a system of multiparty cooperation and political consultation under the leadership of the Chinese Communist Party. In this connection, even Westerners agree that in a country as vast as China, if there were no leadership by the Communist Party many problems would be hard to solve -- first of all, the problem of food. Our reform cannot depart from socialism and it cannot be accomplished without the leadership of the Communist Party. Socialism and Party leadership are interrelated; they cannot be separated from each other. Without the leadership of the Communist Party, there could be no building of socialism. We shall never again allow the kind of democracy we had during the "cultural revolution". Actually, that was anarchy.

In short, so far as economic reform is concerned, the principles, policies and methods have been set. All we have to do now is to speed up their implementation. As for reform of the political structure, it is still under discussion. We shall work out the details before the Thirteenth National Party Congress. It took three years for the rural economic reform to achieve good results, and it should take at least three to five years for the urban economic reform to produce visible results, because conditions there are more complicated than in the countryside. Reform of the political structure will be even more complicated. In certain areas, results can be obtained in three to five years, but in certain others it may take ten.

(Excerpt from a talk with Stefan Korosec, member of the Presidium of the Central Committee of the League of Communists of Yugoslavia.)

NOTHING CAN BE ACCOMPLISHED WITHOUT A STABLE POLITICAL ENVIRONMENT

June 29, 1987

Our [Party's Thirteenth National Congress](#) will reaffirm the principles and policies formulated since the Third Plenary Session of [the Eleventh Central Committee in 1978](#), in particular the policies of reform and opening to the outside world. Not only will these

policies be continued--indeed, they will be carried out more boldly in domains where we have not done enough--but political restructuring will also be put on the agenda.

The reform of the political structure covers both democracy and the legal system. In China those two are connected. People tend to associate democracy with the United States, assuming that the U.S. system is the ideal democratic system. We cannot copy your system. I believe you understand that. If China adopted your system, with multiparty elections and separation of the three powers, there would be chaos. If one group of people took to the streets today and another group did so tomorrow, with a population of one billion, there would be trouble 365 days a year, and then how could we carry on? Where would we find the energy for development? So our problems cannot be approached from your point of view.

China's main objective is to develop, shake off backwardness, strengthen the nation and gradually raise the standard of living. In order to accomplish this, it is essential to have a stable political environment. Without that, nothing can be accomplished. China has its own special conditions, which I am certain we in China understand somewhat better than our foreign friends do. In our political restructuring we shall emphasize the importance of both socialist democracy and the socialist legal system. While stressing the development of democracy, we shall also stress education, especially the education of our young people, so that they will have high ideals and a strong sense of discipline.

(Excerpt from a talk with James Carter, former President of the United States.)

**CHINA'S POLICY, BASED ON THE EQUALITY OF
NATIONALITIES, IS TO ACCELERATE
DEVELOPMENT IN TIBET**

June 29, 1987

In the People's Republic of China there is no discrimination against different nationalities, and our policy in Tibet is based on genuine equality of the nationalities. China has dozens of minority nationalities, which, however, account for only 6 per cent of the total population, the rest being Han. Nevertheless, in the people's congresses and in administrative organs at all levels, the proportion of cadres from the minority groups far exceeds 6 per cent. As for the harm done to minority nationalities during the "cultural revolution", that sort of thing can't be used as evidence that we discriminate against them. In those years it was not just the minorities that suffered; it was the Han nationality that was hit hardest. The majority of the revolutionaries of the older generation, nearly all Han, were toppled, including myself.

Since the downfall of the Gang of Four, the Central Government has adopted many measures to develop the areas inhabited by minority nationalities. Take Tibet, for example. The government has decided that all other provinces and cities should share long-term responsibility for helping Tibet carry out certain development projects. 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. It is our unshakable policy to help them do that.

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. The important things to consider are how the Tibetan people will benefit from their presence and what it will take to stimulate rapid development in the region and bring it into the forefront of the drive for modernization. Marked changes have already taken place in Tibet, and the living standards of the Tibetan people have risen a great deal, but in general the region is still backward and a great deal remains to be done.

This is true not only for Tibet but for the other minority nationality areas as well. [Our policy is to focus on developing these areas.](#) For example, take Inner Mongolia, with its vast grasslands and sparse population. In future, it may become one of the most developed areas, and there are quite a few Han people there. 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.

(Excerpt from a talk with James Carter, former President of the United States.)

THE TWO BASIC ELEMENTS IN CHINA'S POLICIES

July 4, 1987

Developments in China over the last few years have shown that whenever an area carries out reform and opens to the outside world, it prospers. Lately some people abroad have been commenting that the pace of reform in China has slowed and predicting that the government is going to change its policies. There is some basis for the first assertion but none at all for the second. Problems will always crop up during the reform process, and adjustments will be made to solve them. Throughout last year and this we have continued our reform and opening up, although at a more cautious pace. Now it looks as though the pace has been a little too slow, so we are proposing to proceed more boldly. Reform and opening up are new undertakings, so we have no precedent to go by; all we can do is proceed in the light of the specific conditions in our country. Our experience indicates that it should be beneficial to go a little faster. Of course, a faster pace also means more risk.

It is our basic line to carry out socialist modernization. If we are to do so and to make China a prosperous and developed country, we must, first, follow the policies of reform and opening up, and second, adhere to the [Four Cardinal Principles](#). By this last I mean in particular the principles of upholding leadership by the Party and following the socialist road -- that is, opposing bourgeois liberalization and rejecting the capitalist road. These two basic points are mutually dependent. In carrying out modernization, the reform and the open policy, we shall encounter interference from both the "Left" and the Right. Interference from the "Left" more often than not arises from the force of habit. When you have been used to one set of rules, it is hard to change. Interference from the Right refers to bourgeois liberalization or wholesale Westernization, including blind copying of Western-style democracy. Of the two types of interference, that from the "Left" is the more frequent. During the period from 1957 to 1978, whenever we suffered, it was always due to interference from the "Left". China is a vast country, and the Party has a long history; it has already been 38 years since the founding of New China. The force of habit is therefore very strong and must not be underestimated. But it is aggravated by interference from the Right, which cannot be ignored either.

Some people abroad have been speculating about which faction I belong to. Just recently I told one of our foreign friends that it is true I am one of the reformers, but I am still opposed to bourgeois liberalization. If you were to say that those who oppose bourgeois liberalization are conservatives, well then, you could also say I am a conservative. To put it more accurately, I belong to the faction that believes in seeking truth from facts, the faction that pursues the policies of reform and opening to the outside world and that upholds leadership by the Party and follows the socialist road.

China is a backward country. If it is to become a developed, modernized country, there must be political stability, strict discipline and good public order; without those we can accomplish nothing. We cannot mechanically copy Western-style democracy, taking it over wholesale; China's affairs have to be handled in light of conditions in China. Democracy in China means socialist democracy, and our socialist democracy and socialist legal system complement each other. We are building a Chinese socialism.

The upcoming Thirteenth National Congress of the CPC will mainly consider two things: first, placing reform of the political structure on the agenda, and second, lowering the average age of the leadership. It will not be easy to tackle these two issues, but it must be done. Political reform cannot be accomplished in one or two years; we'll be doing very well if we can complete it in ten. I'm afraid it will also take ten years to bring the average age of the leadership down close to the ideal.

Both our countries belong to the Third World, and we both hope for world peace. At present it looks unlikely that a third world war will break out soon. Of course, the danger of war still exists, but we can work for quite a long period of peace. If the forces for world peace grow and the Third World countries develop, world war can be avoided. The countries of the Third World should make good use of this time to develop their economies, gradually shaking off poverty and backwardness. In the past we were too sure that world war was imminent, and we neglected the development of our productive forces

and our economy. Now, however, in accordance with our new observations and our new analysis of the situation, we are totally committed to economic development. Having been engaged in development for eight years now, we have achieved some preliminary results, but the road ahead is still long and we must keep to it unswervingly. I am sure China can shake off poverty and attain a comfortable standard of living by the end of the century. But it will take us another 50 years or so to reach the level of the moderately developed countries. We are therefore hoping for at least 70 years of peace. We do not want to miss this opportunity for development.

(Excerpt from a talk with President Hussain Muhammad Ershad of Bangladesh.)

**IN EVERYTHING WE DO WE MUST PROCEED FROM
THE REALITIES OF THE PRIMARY STAGE
OF SOCIALISM**

August 29, 1987

China is developing its economy in three steps. Two steps will be taken in this century, to reach the point where our people have adequate food and clothing and lead a fairly comfortable life. The third step, which will take us 30 to 50 years into the next century, is to reach the level of the moderately developed countries. These are our strategic objectives and our high ambitions. It would be impossible for us to fulfil those aspirations without carrying out reform and opening to the outside world. The road ahead of us is still long and our tasks formidable, so we must all work hard and concentrate on developing the economy and expanding the productive forces.

In October of this year our Party will convene its Thirteenth National Congress. Basically, this congress will concentrate on the reform and the opening process. It will reaffirm the principles and policies formulated since the Third Plenary Session of the Party's Eleventh Central Committee and call for deepening the reform of the economic structure and carrying out a corresponding reform of the political structure. The [Thirteenth National Party Congress](#) will also add some younger members to the leadership of the Party and government, making it more energetic while ensuring the continuity of our policies.

Have you been to our countryside? The real changes have taken place there, and some of them have exceeded our expectations. We had not found a good solution to the problem of surplus labour created by the implementation of the contracted responsibility system. For a long time 70 to 80 per cent of the rural work force was tied to the land, with an average of only about 0.1 hectare per person, and most peasants did not even have adequate food and clothing. Once we instituted the reform and the open policy and introduced the responsibility system, the number of people engaged in agriculture shrank. What about those who were made redundant? Ten years of experience have shown that we can solve this problem by encouraging villages and townships and individual peasants to develop a diversified economy and establish new types of enterprises. Rural industries

have absorbed 50 per cent of the surplus work force. The idea of starting such industries was not put forward by the leaders of this country but by the villages and townships and the peasants themselves. Devolving authority to the localities and the people, which in the countryside means the peasants, is the height of democracy. This is an important component of the socialist democracy we talk about. At the same time, rural enterprises help greatly to promote the development of agriculture.

The reform of the political structure is a complex undertaking, and every measure we take will affect the interests of thousands upon thousands of people. So we have to proceed one step at a time, in a well-directed and orderly way. We cannot simply copy the system of the capitalist countries lock, stock and barrel, and we cannot allow bourgeois liberalization. For instance, we cannot abandon leadership by the Communist Party. Without the Communist Party there would be chaos, or at least instability. Under those conditions, any development would be impossible. We have had some experience with "great democracy" in the form of the "cultural revolution", which was a calamity. Our reform of the economic structure is being carried out under the leadership of the Party and in an orderly way; we cannot allow anarchy.

The Thirteenth National Party Congress will explain what stage China is in: the primary stage of socialism. Socialism itself is the first stage of communism, and here in China we are still in the primary stage of socialism -- that is, the underdeveloped stage. In everything we do we must proceed from this reality, and all planning must be consistent with it.

(Excerpt from a talk with Leonilde Jotti and Renato Zangheri, leaders of the Italian Communist Party.)

WE ARE UNDERTAKING AN ENTIRELY NEW ENDEAVOUR

October 13, 1987

The "cultural revolution" caused us to waste ten whole years. At bottom, most of the mistakes made during the socialist period in China have come from the "Left", and the "Left" things started in 1957.

From a historical perspective, it was only after we corrected the "Left" mistakes that our democratic revolution began to succeed, a change that was marked by the [Zunyi Meeting](#). That meeting put an end to the domination of [Wang Ming's](#) "Left" adventurism in the Party's central leadership and established the leadership of Mao Zedong.

By constantly correcting "Left" and Right mistakes, the Party achieved nationwide victory in the people's revolution, established the People's Republic and launched socialist construction. During the first eight years after the founding of the People's Republic -- that is, from 1949 through the first half of 1957 -- our development was

sound and our policies were appropriate. In the latter half of 1957 we began to combat Rightists on the political front. That was necessary at the time. But we went too far, including too many people as targets, which was a mistake. After that came the [Great Leap Forward in 1958](#) and the people's commune movement, which were totally incompatible with objective conditions and during which we got carried away and tried to develop too rapidly. In fact, beginning in the latter half of 1957 we departed from the line set at the Eighth National Congress of the Party, and we persisted in this "Left" deviation up to 1976, a period of nearly 20 years. This "Left" deviation culminated in the "cultural revolution".

Nevertheless, we learned some lessons from these experiences. After we smashed the Gang of Four and ended the "cultural revolution", we made a critical review of our history and set ourselves the task of emancipating our minds and restoring Comrade Mao Zedong's ideological line of seeking truth from facts. Throughout the period of the new-democratic revolution, as well as during the early period of the socialist revolution and construction, Comrade Mao Zedong's ideas were correct, and we must not discard them. During this long period Comrade Mao Zedong successfully integrated the universal principles of Marxism-Leninism with the realities in China, proposing the creative strategy of encircling the cities from the countryside and taking the path of the October Revolution while adopting different methods. Because we paid close attention to the realities in China and proceeded from those realities in everything we did, we accomplished the new-democratic revolution and moved smoothly into the socialist period.

This is one aspect of our history, when we did the correct thing. The 20 years of "Left" errors I just mentioned is the other aspect. We have studied both the positive and negative aspects of our experience in revolution and construction, and since the Third Plenary Session of the Party's Eleventh Central Committee in 1978 we have formulated a series of new principles and policies. These principles and policies are designed, in essence, to restore and uphold Comrade Mao Zedong's ideological line of seeking truth from facts, which we are following as we explore ways of building socialism in China. What we are undertaking now is an entirely new endeavour.

During the period of the Gang of Four, the general understanding of communism was, in their own words, that it was better to be poor under communism than rich under capitalism. That is simply absurd! Marxism is another name for communism, and a cardinal principle of Marxism is to apply during the socialist period the principle of from each according to his ability, to each according to his work, and during the communist period the principle of from each according to his ability, to each according to his needs. To apply this second principle will require great material abundance: how could a poor society afford to operate on the principle of to each according to his needs? How could a communist society be poor?

On the basis of the analysis of our experience, we have proposed that the central task for the entire period of socialism should be to develop the productive forces, which is true Marxism. For China, the first thing is to throw off poverty. To do that we have to find a

way to develop fairly rapidly. Poverty is not socialism, and development that is too slow is not socialism either. If they were, how would socialism be superior? Under socialism, when the productive forces are developed, the result belongs to the people. In other words, in China a bourgeoisie will not emerge during the process of development, because our principle of distribution is to each according to his work. Naturally, the distribution is not entirely uniform, but our goal is common prosperity. We shall have to work hard for a number of years to demonstrate the superiority of socialism and to show that we are right to take the socialist road.

On the basis of this understanding of socialism, we are seeking the course we should follow. This involves every domain -- political, economic, cultural and so on. We have decided to engage in development and reform, striving for fairly rapid growth. Speaking of reform, actually we had already experimented with it in 1974 and 1975. When Premier Zhou Enlai became gravely ill in 1973, he sent people to Jiangxi Province to bring me back from the ``cowshed", and I took over some of his work with the State Council. In 1975 I began to take charge of the day-to-day work of the Central Committee. In those days, the reform was called consolidation, and we emphasized the need to develop the economy, first of all by bringing order to production. In every place where this was carried out, it was successful.

Before long I was again toppled by the Gang of Four. I was toppled three times and rehabilitated three times. During the [April 5th Movement in 1976](#), when the people commemorated the late Premier Zhou, many showed their support for me as well. This showed that in 1974 and 1975 the reform had enjoyed popular support and reflected the wishes of the people. After the Gang of Four was defeated, the Eleventh Central Committee, at its Third Plenary Session, reaffirmed the ideological line of seeking truth from facts and defined the central task for the Party and the country as development of the productive forces. After that, the reform was resumed.

This time it began in the countryside. When the peasants, who make up 80 per cent of China's population, could not even be guaranteed adequate food and clothing, how could we demonstrate the superiority of socialism? Once the reform was instituted, the peasants became motivated. Then we turned to restructuring the urban economy, applying what we had learned from reform in the countryside. Opening to the outside world is also a part of reform; and, on the whole, it too can be called reform. Thanks to nine years of hard work, 90 per cent of the rural population now has enough food and clothing. And our ten-year task of doubling the per capita GNP has been fulfilled two years ahead of schedule.

Our successes have inspired us and strengthened our confidence. Accordingly, at the Party's Thirteenth Congress we shall decide to speed up the reform. We shall not only quicken the pace of economic restructuring but also put political restructuring on the agenda.

Our first objective was to solve the problem of food and clothing, which we have now done. The second objective is to secure a relatively comfortable life for our people by the end of the century, and the third is to reach the level of moderately developed countries in

the first 50 years of the next century. What we need to do now is buckle down to developing the productive forces faster through reform, keep to the socialist road and demonstrate by our achievements the superiority of socialism. It may take two, three or even four generations to reach this goal. But by then we shall be able to say, with perfect assurance and with the facts to support us, that socialism is superior to capitalism.

These are some of our ideas, and now we need to expound them, realistically and in depth, from a theoretical point of view. The path we are taking will be tortuous, and it will be hard to avoid mistakes, but we shall do our best to learn quickly from experience and to make no major mistakes. More important, we shall not allow minor reverses to discourage us from moving boldly forward.

I quite agree with the suggestion you just made about developing relations between our two parties and our two countries. Let our former problems be water over the dam, and let us look to the future. There are two crucial things here: first, both our countries are keeping to the socialist road and upholding Marxism; second, each is following that road in accordance with its own characteristics and conditions. We can copy neither the ways of Western capitalist countries nor those of other socialist countries; still less can we afford to give up the advantages of our own system. One of the advantages in China, for instance, is leadership by the Communist Party. We must uphold Communist Party leadership. Of course, the Party should also accept supervision and be subject to restrictions. We are now raising the question of separating the functions of the Party from those of the government. But no matter how that is done, it will still be the Party that leads, and the separation will be designed to strengthen its leadership. Even the Communist Party cannot avoid making mistakes, but as long as we persist in seeking truth from facts, continue to carry out reform, follow our own path and do not make any grave mistakes, our cause will develop vigorously.

Democratic centralism is another of our advantages. This system works to foster unity among the people, making it much better than Western-style democracy. And once we make a decision, it can be immediately implemented. Take another example. In dealing with the problem of ethnic minorities, China has not adopted a federal system of separate republics but a system of autonomous regions. We believe this system works quite well and is consistent with conditions in China. In short, we have many advantages which make our socialist system superior and which must not be abandoned. So we shall uphold the [Four Cardinal Principles](#).

(Excerpt from a talk with General Secretary Kádár János of the Socialist Workers' Party of Hungary.)

**TWO FEATURES OF THE THIRTEENTH NATIONAL
CONGRESS OF THE COMMUNIST PARTY
OF CHINA**

November 16, 1987

The report [of the Twelfth Central Committee] to the Thirteenth National Congress of our Party represents a collective effort, concentrating the wisdom of thousands of people; it is not my work alone. Of course, the report reflects my views, but in the main it embodies collective opinions. I have contributed to the line, principles and policies formulated since the Third Plenary Session of the Eleventh Central Committee of the Party held in 1978, but I was not the only one to do so. Therefore, the accomplishments of the last nine years should not all be attributed to me; I should be considered simply a member of the collective. It is not good to exaggerate the role of any one individual.

One of the features of the Party's Thirteenth National Congress is that it expounded the theory that China is in the primary stage of socialism. It is in the light of this theory that we shall implement the line, principles and policies formulated since the Third Plenary Session of the Eleventh Central Committee. Another feature is that the congress elected a new leading body that will ensure continued and accelerated implementation for our policies of reform and opening to the outside world. Before the congress, people at home and abroad were concerned that those policies might not be continued. But the congress has addressed that question, reassuring the Chinese people and our international friends.

Nevertheless, ours is an entirely new endeavour, one that was never mentioned by Marx, never undertaken by our predecessors and never attempted by any other socialist country. So there are no precedents for us to learn from. We can only learn from practice, feeling our way as we go. We are trying to turn China into a modern socialist country. Economically, we want to reach the level of the moderately developed countries. It will take another 50 to 60 years, or about 100 years from the time of the founding of the People's Republic, for us to do that. We shall uphold the Party's traditions from the best period of the last several decades -- hard work and prudent action. But we must recognize that our road is long; we may still run into many difficulties, and it will be hard to avoid mistakes. The important thing is to continually learn from our experience and to make the Party's activities and the country's political life more democratic. That will mean that more people's opinions are heard, especially the opinions of the masses.

(Excerpt from a talk with Takako Doi, Chairman of the Central Executive Committee of the Socialist Party of Japan.)

WE MUST EMANCIPATE OUR MINDS AND THINK INDEPENDENTLY

May 18, 1988

Of the 39 years since the People's Republic of China was established, in the first eight we did our work well and also in the last ten, but during the intervening years of "Left" interference, things were not so good. We are pleased with our development over the past ten years. Looking back, I think we have been doing the correct thing. The Party's Thirteenth National Congress held last year decided not only to continue to follow the established principles and policies but to go one step further in reform and opening to the

outside world. We believe that as long as we carry out these principles and policies, we shall succeed. On the other hand, there are still risks ahead, and we cannot expect smooth sailing all the way. Nevertheless, we must pursue the reform, and if problems arise, we have to solve them promptly and properly. We cannot allow stagnation, which is only a dead end.

The basic principle set forth at the Third Plenary Session of the Eleventh Central Committee of our Party was that we must emancipate our minds and think independently, formulating policies in light of our own realities. None of the works of Karl Marx or of Lenin offers a guide for building socialism in China, and conditions differ from one country to another, each having its own unique experience. So we have to think for ourselves. This is true not only in economic matters but also in political matters.

A country that wants to develop must not keep its doors closed or isolate itself. It must maintain extensive international contacts with all kinds of people, absorbing what is useful and rejecting what is harmful. We call this opening to the outside world. Domestically too we have to open wider, invigorate the economy and not be restricted by conventional thinking. Our heads used to be full of conventional ideas, but now we have broken free of them. We have been upholding Marxism-Leninism and Mao Zedong Thought and keeping to the socialist road all along, but only now have we solved the question of what socialism is. Frankly, when we were copying the Soviet model of socialism we ran into many difficulties. We discovered that long ago, but we were never able to solve the problem. Now we are solving it; what we want to build is a socialism suited to conditions in China.

There is a problem here: perhaps, given the conditions in your country, you should consider whether a headlong rush to socialism is advisable. Choosing a socialist orientation is a good idea, but first of all you have to know what socialism is. Socialism is certainly not poverty. When you speak of socialism, it can only be socialism suited to conditions in Mozambique.

In short, you must always remember one point: suit your own conditions. You may want to refer to other people's experience, but that can be useful only as background information. The world's problems cannot all be solved in the same way. China has its own way, and Mozambique must also find its own way.

(Excerpt from a talk with President Joaquim Alberto Chissano of Mozambique.)

WE MUST RATIONALIZE PRICES AND ACCELERATE THE REFORM

May 19, 1988

The central theme of both the Thirteenth National Congress of the Chinese Communist Party and the First Plenary Session of the Seventh National People's Congress [March 25-

April 13, 1988] was that we must further emancipate our minds and liberate the productive forces.

We cannot speed up the reform without rationalizing prices. The problem of prices has remained unsolved for many years, during which the state set all the prices. For example, for a long time the purchasing prices of grain and non-staple foods were too low. Although we raised them several times in the past few years, they were still too low. In the cities, however, we could not raise the selling prices beyond a certain point. This led to a disparity between the purchasing and selling prices, so the state had to make up the difference. This is contrary to the law of value. On the one hand, we cannot arouse the enthusiasm of the peasants for production, and on the other hand the state bears a heavy burden -- that is, every year it must use tens of billions of yuan for subsidies. Consequently, the state doesn't have enough money for economic development, let alone for educational, scientific and cultural undertakings. So if we want to lighten our burden and move forward, we have to solve the price problem.

Recently we decided to take the first step and to lift controls over the prices of four kinds of non-staple foods: meat, eggs, vegetables and sugar. In ancient China there was a story about Guangong [a famous third-century warrior of the Shu Han Kingdom], who fought his way through five passes and killed six enemy generals. We may have more "passes" to go through and more "enemy generals" to behead. It is hard for us to break through each pass, because it involves great risks. As soon as we lifted price controls on non-staple foods, there was a rush of panic buying. Everybody is talking about prices, and there are a lot of complaints. However, I think the masses understand the decision of the Central Committee and the State Council and believe it was correct. We cannot yet say with certainty that we can make our way through this pass, but we hope we can. This means that when we take each step, we should work hard, be daring but act prudently. We should also review our experience frequently and, when we find problems, make adjustments in light of the conditions. However, we have no choice but to carry out price reform, and we must do so despite all risks and difficulties. We should make it clear to the Party membership and the people that the reform is a hard task, that there are no perfect policies or methods, that we are dealing with new problems and that we have to learn from experience.

We say that [practice is the sole criterion for testing truth](#). Practice will prove whether it is right for us to lift price controls and accelerate the reform. Some of our measures may go well while others may not. Fortunately, over the past ten years China has made gratifying progress in economic development, the standard of living has risen and the people can tolerate some price rises. I always tell my comrades not to be afraid of risks but to be daring. We shall get nowhere if we are plagued by fears.

The Chinese economy will not grow too slowly. Although we are having difficulties, the growth rate for 1988 may still exceed 10 per cent. Every day we have to brave winds and waves, but I am convinced that we can reach the goal of quadrupling the GNP. That is the present situation and those are our plans.

(Excerpt from a talk with a military delegation from the Democratic People's Republic of Korea, headed by O Jin U, Minister of the Korean People's Armed Forces.)

WE MUST CONTINUE TO EMANCIPATE OUR MINDS AND ACCELERATE THE REFORM

May 25, 1988

We are carrying out a thorough and extensive reform. Why? Because we have learned from the "cultural revolution" [1966-1976]. The ten-year "cultural revolution", together with the period dominated by "Left" errors, which began in 1957, caused us to waste twenty years. The period from 1949, when the People's Republic of China was founded, to 1957 was one of rapid development, but after that problems arose. I don't mean that in those 20 years we did nothing good; we did a lot of work and scored some major achievements, such as the development of the atomic bomb, the hydrogen bomb and ballistic missiles. However, the overall political situation was chaotic, and the economy either grew slowly or stagnated. Even after the Gang of Four was crushed, we remained for two years at a standstill under the wrong ideological guideline of the "two whatevers".

It was not until 1978, when the Third Plenary Session of the Eleventh CPC Central Committee was held, that a new and correct line was formulated, together with new and correct principles and policies. These can be summed up as the decision to build socialism suited to conditions in China. And if we are to build socialism, our fundamental task must be to develop the productive forces, shake off poverty, build a strong, prosperous country and improve the living conditions of the people. There is no such thing as poor socialism. Socialism is characterized not by poverty but by prosperity -- the common prosperity of all.

To expand the productive forces we must carry out reform and open to the outside world; there is no other way. We cannot continue to keep our doors closed as we did for more than twenty years. It is unanimously agreed that we should pursue the policies of reform and opening up, and this unanimity is attributable to the ten-year disaster -- the "cultural revolution" -- the lessons of which are unforgettable. Of course, different opinions arise in the process of reform; but the differences are not over whether we should carry it out but over how far it should go, how it should be conducted and how we should go about opening to the outside. This is only natural, and there is nothing strange about it.

There is a common saying in China that [practice is the sole criterion for testing truth](#). Our practice over the last ten years has proved that the line, principles and policies adopted by the Party since the Third Plenary Session of the Eleventh Central Committee are correct and that we are right to carry out the reform and opening up. We shall not slow them down but accelerate them. We must continue to emancipate our minds and speed up the reform and the opening process. These two tasks will continue throughout the course of

China's development. They will not be completed in three, five, eight, ten or even twenty years -- there is too much to be done.

The reform and opening must be carried out in the light of the particular conditions in each country, because countries differ from one another in many respects, such as their economic base, history, environment and neighbours. We can study the experience of other countries but never copy them. In the past, we indiscriminately imitated other countries and suffered greatly from the consequences. Therefore, China can only build a socialism adapted to conditions in China.

The issue of Taiwan is yet to be resolved. China will eventually be reunified. Whether reunification can be brought about smoothly will be determined by two factors. One is how well the "one country, two systems" formula works in Hong Kong, and the other is how well we can do in developing the economy. In short, the solution to all our problems lies in economic development.

(Excerpt from a talk with Milo Jake, General Secretary of the Central Committee of the Communist Party of Czechoslovakia.)

WE SHOULD DRAW ON THE EXPERIENCE OF OTHER COUNTRIES

June 3, 1988

We are carrying out reform in a vast, poor country, and there is no precedent for this anywhere in the world. During the past 39 years of economic development, we have learned from both our successes and our failures. However, we cannot rely solely on our own experience to solve all problems. To develop its economy and shake off poverty and backwardness, China must open to the outside world. By opening up, we mean not only making more contacts with other countries but also drawing on their experience. Unfortunately, we wasted 20 years after 1957, while during those two decades the world developed rapidly. On the other hand, this was useful to us in a way. 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.

Reform and opening up are the means by which we shall develop our economy in three stages. The goal of the first stage is to ensure that the people have adequate food and clothing, and this has been accomplished ahead of time. The goal of the second stage is to enable the people to live a relatively comfortable life by the end of this century. There are still twelve years left, and it seems that we shall be able to reach that goal. And the goal of the third stage is to reach the level of moderately developed countries by the middle of the next century. That goal will be hard to achieve. The last decade of this century will be

crucial for laying a foundation and creating good conditions for economic development in the first half of the next.

There is no perfect programme for reform. The important thing is to act prudently, apply proper methods and choose the right timing. It is impossible not to make mistakes, but we should try to avoid serious ones and modify the programme if problems arise. Reform involves risks, but I believe we can carry it out. This optimistic prediction is not groundless. At the same time, 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.

We have solemnly promised that our policy towards Hong Kong will remain unchanged for 50 years after 1997. Why 50 years? There is a reason for that. Not only do we need to reassure the people of Hong Kong, but we also have to take into consideration the close relation between the prosperity and stability of Hong Kong and the strategy for the development of China. The time needed for development includes the last 12 years of this century and the first 50 years of the next. So how can we change our policy during those 50 years? Now there is only one Hong Kong, but we plan to build several more Hong Kongs in the interior. In other words, to achieve the strategic objective of development, we need to open wider to the outside world. Such being the case, how can we change our policy towards Hong Kong? As a matter of fact, 50 years is only a vivid way of putting it. Even after 50 years our policy will not change either. That is, for the first 50 years it cannot be changed, and for the second there will be no need to change it. So this is not just idle talk.

Stability must be maintained in Hong Kong. It must be maintained not only during the transition period but also afterwards, when the people of Hong Kong are administering the region after China resumes its exercise of sovereignty. This is crucial. In addition to stable economic development, Hong Kong needs a stable political system. As I have said, at present Hong Kong has a political system that is different from the ones in Britain and the United States, and it will not copy any Western system in future either. Arbitrarily copying Western systems would cause unrest, and that would be very harmful. This is a very practical and serious problem.

(Excerpt from a talk with the participants in the International Conference on China and the World in the Nineties.)

WE SHOULD MAINTAIN MODERATELY RAPID GROWTH OF PRODUCTION

June 7, 1988

China is deepening its reform, trying to create more favourable conditions for future development. We attach importance not only to our development in this century, but even more to our development in the next. The choice before us is either to continue to make

economic progress or to retreat. But to retreat will get us nowhere. Only by deepening reform in every field of endeavour can we ensure that the people will live a relatively comfortable life by the end of this century and that more progress will be made in the next.

Our reform involves great risks, but we have high hopes of success. Unless you are confident of success, you can't make proper policy decisions. I have always encouraged my comrades to be bolder in carrying out reform. There are two crucial things. First, when handling matters we should consult the people, act resolutely but prudently, analyse our experience from time to time and correct inappropriate plans and methods so as to prevent minor mistakes from becoming major ones. Second, during the reform we should maintain moderately rapid growth of production. The growth rate should not be too fast, but of course it should not be too slow either. For the last ten years the economy has been developing at high speed. If we can maintain a moderate speed in the coming years, there will be little risk in deepening the reform.

(Excerpt from a talk with Zbigniew Messner, member of the Political Bureau of the Central Committee of the United Workers' Party of Poland and Chairman of the Polish Council of Ministers.)

**CIRCUMSTANCES OBLIGE US TO DEEPEN
THE REFORM AND OPEN WIDER TO
THE OUTSIDE WORLD**

June 22, 1988

China suffered greatly from the ten-year disaster, the "cultural revolution". In fact, not just from that: as early as the second half of 1957 we began to make "Left" mistakes. To put it briefly, we pursued a closed-door policy in foreign affairs and took class struggle as the central task at home. No attempt was made to expand the productive forces, and the policies we formulated were too ambitious for the primary stage of socialism.

In 1978, at the Third Plenary Session of the Eleventh CPC Central Committee, we made a systematic review of our past work and put forth a series of new principles and policies. The main points were that we should shift the focus of our work from class struggle to expansion of the productive forces, that we should replace the closed-door policy with an open policy and that we should abandon old conventions and carry out reform in every field.

The development of China has an important bearing on the development of the rest of the world, because one fifth of the total population lives in China. To be frank, for a long time after 1840 China did not make its due contribution to the world. That was mainly because of a century of imperialist aggression and of corrupt reactionary governments. In 1949 China put an end to its history of humiliation, and the Chinese nation stood up. In the first eight years after the founding of the People's Republic we made great progress.

In 1978 we embarked on a brand new undertaking: since then we have been building a socialism adapted to our own conditions. Pressing circumstances oblige us to deepen the reform and open wider to the outside world. We are confronted with several formidable tasks; right now the hardest one is to effect an all-round reform of the price and wage systems. Although the road ahead is rough, we believe that the favourable situation of the last decade will continue. This is what we are hoping.

Ethiopia is an important country in Africa. For a long time the Ethiopian people have waged a glorious struggle for independence. When I was young, I already knew about your country. At that time it was called Abyssinia, and its people were courageously waging a just war against the Italian Fascist aggressors. Now this nation is confronted with economic difficulties, which I believe you will overcome. I sincerely hope that you will concentrate on expanding the productive forces and arousing the initiative of your people. It seems that the international environment will remain peaceful for a relatively long time -- that is, there will be no third world war. Both of our countries belong to the Third World, and we should always take economic development as the central task and miss no opportunity to pursue it.

(Excerpt from a talk with President Mengistu Haile Mariam of Ethiopia.)

WE REVIEW THE PAST TO OPEN UP A NEW PATH TO THE FUTURE

September 5, 1988

We are both veterans of the international Communist movement, and it is always a pleasure for us to meet. We are both optimists, so we should remember the good days we have known and forget the dark days.

I have been a member of the Communist Party for several decades. Counting from 1922 when I joined the Party, I have been working under the banner of communism for more than 60 years. During that time I have done many good things, and I have also made some mistakes. As everybody knows, I rose to power three times and fell from power three times. To be frank, I was forced out not because I did wrong things, but because I did right things that were misunderstood as wrong. From 1954 to 1956 I served as Secretary-General of the CPC Central Committee, Vice-Chairman of the National Defence Commission and Vice-Premier of the State Council. In 1956 I became General Secretary of the Party and stayed at the core of the leadership. So I should take some responsibility for the "Left" mistakes the Party made before the "cultural revolution": we should not shift all the blame onto Comrade Mao Zedong.

Starting in 1957 Mao Zedong began to make "Left" mistakes, which culminated in the decade of the "cultural revolution". Mao himself admitted he had made mistakes, saying that he would be satisfied if after his death his work were assessed as having been 70 per cent achievements and 30 per cent mistakes. During the 36 years from 1921, when the

Party was founded, to 1957, he made outstanding contributions. It was he who led us to victory in the revolution. When we summarize the historical experience of our Party, we should not count him out, because to negate the contributions of Mao Zedong would be to negate the importance of the greater part of Chinese revolutionary history. Have you read the "Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China", which was adopted at the Sixth Plenary Session of the Eleventh Central Committee? In that resolution we reviewed the history of our Party and evaluated it in the way I just described. We have had to evaluate the history of our Party and you have to do the same. Every party and every country has its own past, which it must analyse objectively and realistically in order to learn from it.

I am familiar with our Party's history from the beginning, and I know the ins and outs of many important events. When we review our history, we should not focus on the achievements and mistakes of particular individuals but seek to chart a course for the future. Our successes have provided us with valuable experience, and so have our mistakes. Although we thoroughly condemn the "cultural revolution", we recognize that it was useful to the extent that it taught us a lesson. Without that lesson, we would have been unable to formulate the policies and the ideological, political and organizational lines that we have worked out since the Third Plenary Session of the Eleventh CPC Central Committee. At that session it was decided that the focus of our work should be shifted from class struggle to developing the productive forces and modernizing the country. That policy decision won universal support from Party members and the people. Why? Because we had before us the alternative example of the "cultural revolution". So the "cultural revolution" has turned out to be valuable.

I believe it is not healthy for a party or a country to pin its hopes on the reputation of one or two persons, because if they then lose their prestige it can cause political instability. After the Third Plenary Session of the Eleventh Central Committee, comrades hoped that I would become the General Secretary of the Party and the President of the country. But I rejected that proposal. At the [Thirteenth National Party Congress](#) I announced that I was retiring from the core of the leadership together with some other aged comrades. We did this to demonstrate that the future of China will depend on a new collective of leaders. The achievements of the last ten years are also attributable to a collective. I did a little, but I can't take credit for everything. Actually, many ideas were conceived by other leaders or by the masses. All I did was sum up those ideas in the form of principles and policies. Our present collective of leaders follows the line, principles and policies adopted at the Third Plenary Session, and we believe that they will be continued. So far as I am concerned, I am quite confident of this prospect and pleased with it.

Many foreign journalists have asked to interview me and to write my biography, but I have politely refused. In my opinion, it is not good to exaggerate the role of any one individual. After all, everyone will die at last. It is wrong for people to think that when I die China will lose its soul. Although I shall still do some work during the rest of my life, I wish to fade from the political scene. My strongest aspiration is to be alive in 1997, when China takes over Hong Kong. That's a place I'd like to visit. I also want to visit Taiwan, but the chances for solving the Taiwan question before 1997 seem quite slim.

(Excerpt from a talk with President Gustav Husak of Czechoslovakia.)

SCIENCE AND TECHNOLOGY CONSTITUTE A PRIMARY PRODUCTIVE FORCE

September 5 and September 12, 1988

I

The world is changing, and we should change our thinking and actions along with it. In the past we pursued a closed-door policy and isolated ourselves. How did that benefit socialism? The wheels of history were rolling on, but we came to a halt and fell behind others. Marx said that science and technology are part of the productive forces. Facts show that he was right. In my opinion, science and technology are a primary productive force. For us, the basic task is to maintain socialist convictions and principles, expand the productive forces and raise the people's living standards. To accomplish this task, we must open our country to the outside world. Otherwise, we shall not be able to stick to socialism. In the 1950s, for example, the gap in technology between China and Japan was not great. Then we closed our doors for 20 years and made no effort to compete internationally, while during the same period Japan grew into an economic power.

II

From a long-term point of view, we should pay attention to education and science and technology. We have already wasted 20 years when we should have been developing. If we paid no attention to education, science and technology, we would waste another twenty years, and the consequences would be dreadful to contemplate. When I met with Husak recently, I mentioned that Marx was quite right to say that science and technology are part of the productive forces, but now it seems his statement was incomplete. The complete statement should be that science and technology constitute a primary productive force. The future of agriculture will eventually lie in bioengineering and other highly advanced technologies. So we must recognize the full importance of science and technology. We should put more money and effort into developing them and into developing agriculture and education. We should try every way to expand education, even if it means slowing down in other fields.

We must try to increase the material benefits for the few top intellectuals. If we arouse their enthusiasm and show them more respect, they will make more contributions. Haven't we developed the atomic bomb, the hydrogen bomb, satellites and space technology on our own? The engineering of the electron-positron collider that we have completed also ranks among the world's most advanced technologies. The wages of intellectuals must be raised step by step over the next few years, so they will have something to look forward to. I am told that an old professor at Beijing University said recently, "My salary has remained the same as it was when the People's Republic was founded. But with the way prices have gone up, my standard of living has dropped by

two thirds." No matter how many difficulties we have, we must try to improve the treatment of teachers.

If we do that, it will affect our intellectuals in other countries too. We have tens of thousands of students studying abroad, and it is important to create suitable conditions for their work after they come back. Some students who have returned have been unable to find appropriate work or even a unit to accept them, because we simply aren't doing any research in some of the areas they have been studying. We could establish a comprehensive scientific research centre that would include certain specialities; or we could add some specialities in existing research institutes and universities. If we arrange for such people to tackle specific projects in these places, surely some of them will achieve great things. Otherwise, these people will not come back, and it will be a great loss to the country. Another important aspect of reform is to redistribute the funds allocated to science and education. Since science and technology constitute a primary productive force, and since intellectuals, who during the "cultural revolution" were called the "ninth category", are part of the working class, we should raise them to first place.

These are my thoughts on education, science and technology and the treatment of intellectuals. I have expressed them as a strategic concept or measure. From a long-term point of view, it is time for us to set about solving this problem.

(Excerpt from a talk with President Gustav Husak of Czechoslovakia and excerpt from remarks made after hearing a report on a tentative programme for the reform of prices and wages.)

THE CENTRAL LEADERSHIP MUST HAVE AUTHORITY

September 12, 1988

The main point I want to make is that the central leadership must have authority. The reform can be successful only if it is conducted under proper leadership and in an orderly fashion. Otherwise, everything will be in a mess, with everyone going his own way. How can we allow that? For several years now I have been objecting to the attitude "You may have your policy, but I have my counterpolicy." There shouldn't be any counterpolicies. If the Central Committee and the State Council have no authority, the situation will get out of control.

I think that while we are carrying out the reform we have to improve the economic environment and rectify the economic order. We have to create a favourable environment so that the reform will go smoothly. Once the central leadership has decided on a measure, all local governments and departments must apply it, not only promptly but effectively. Otherwise, we shall not be able to improve the economic environment.

Right now things don't seem in good order. There are all kinds of problems, such as inflation and price rises, so some adjustments have to be made. Nevertheless, in our effort to stem inflation and keep prices down, we must on no account jeopardize the policies of reform and opening up or cause the economy to contract. We have to maintain a proper rate of growth. We are confident that we can solve the problems that have arisen. No doubt, some minor mistakes are inevitable, but if we don't make major ones I think everything will be all right.

The coastal areas, which comprise a vast region with a population of 200 million, should accelerate their opening to the outside world, and we should help them develop rapidly first; afterwards they can promote the development of the interior. The development of the coastal areas is of overriding importance, and the interior provinces should subordinate themselves to it. When the coastal areas have developed to a certain extent, they will be required to give still more help to the interior. Then, the development of the interior provinces will be of overriding importance, and the coastal areas will in turn have to subordinate themselves to it.

If the Central Committee and the State Council have no authority, none of this could be done. Each region would act only in its own interest without any coordination, counteracting the efforts of the others. Who can coordinate their efforts? Only the central leadership -- by which I mean the Central Committee and the State Council.

We must make it a principle that reform is to be carried out under unified central leadership. By reform I mean not just reform of prices but comprehensive reform in all other areas too. Only through the latter can we create the conditions for the former. Of course, to rectify the economic order, we must straighten out the price system. Without a rational price system, there will be no possibility of truly successful economic reform. Over the next few years we are going to establish a preliminary price system so that we can compete in the world market.

The central leadership can exercise macrocontrol only if its instructions are carried out. We have been advancing on the right path these last years; now it's time to review our experience. If we had not delegated power to lower levels, how could we have reached the present level of economic development? It is under new conditions that we are raising the questions of the authority of the central leadership, macrocontrol and the deepening of reform in all areas. When we were managing the economy in the past, the country was poor. Now things are different. We exercise macrocontrol in order to enable the people to live a relatively comfortable life. We should no longer apply the methods that were used in the difficult times of the past. Now the central leadership issues orders and exercises its authority only on the major question -- the question of basic direction.

(Excerpt from remarks made after hearing a report on a proposed programme for the reform of prices and wages.)

CHINA MUST TAKE ITS PLACE IN THE FIELD OF HIGH TECHNOLOGY

October 24, 1988

Some countries are drawing up plans for the development of high technology. [China has done so too](#). The next century will see rapid development.

As for the electron-positron collider, first I want to tell you a story. A European friend who is a scientist once asked me why we were undertaking this project when our economy was still underdeveloped. I answered that we had our eyes on long-term development, not just immediate needs.

It has always been, and will always be, necessary for China to develop its own high technology so that it can take its place in this field. If it were not for the atomic bomb, the hydrogen bomb and the satellites we have launched since the 1960s, China would not have its present international standing as a great, influential country. These achievements demonstrate a nation's abilities and are a sign of its level of prosperity and development.

The world is developing; in particular, high technology is advancing at a tremendous pace. China must not be content to remain backward. It should participate in the development of high technology from the very beginning. That is the purpose of this project. As for other major projects, although China is poor, it has no choice but to undertake them. Because if we don't, the gap between China and other countries will grow wider. We are backward in some respects but not in all -- this project itself is proof of that. It is true that with the help of Tsung-Dao Lee and other international friends, we were able to avoid detours. But this project was not merely copied from a foreign country: some of the equipment and technologies involved in it were developed by Chinese engineers.

In short, we must waste no time in launching high technology projects like this one and we must carry them through to completion. Otherwise, it will be very difficult for us to keep up with advances in the rest of the world.

(Remarks made while inspecting the electron-positron collider in Beijing.)

**A NEW INTERNATIONAL ORDER SHOULD BE
ESTABLISHED WITH THE FIVE PRINCIPLES
OF PEACEFUL COEXISTENCE
AS NORMS**

December 21, 1988

Under the present favourable and peaceful international circumstances, China and India have a common responsibility to mankind -- to develop. Why so? Because together our two countries have a population of 1.8 billion, or more than one third of the world's total.

There are two major issues in the world today: one is peace and the other is development. There is hope of peace, but the problem of development has not yet been solved. People are saying that the North-South question is very serious. I think it is only a question of development. In talking with foreign friends I have said on many occasions that we should look at this problem in terms of the development of mankind as a whole. As things stand, only one quarter of the present world population lives in developed countries, while the other three quarters are in the developing or so-called underdeveloped countries. Although the international community has talked for years about the need to settle the North-South question, the gap between countries in the two hemispheres is not narrowing but constantly widening. Most of the three quarters of the world population live in China and India.

In recent years people have been saying that the next century will be the century of Asia and the Pacific, as if that were sure to be the case. I disagree with this view. If we exclude the United States, the only countries in the Asia-Pacific region that are relatively developed are Japan, the "four little dragons", Australia and New Zealand, with a total population of at most 200 million. Even if we include in the region the far eastern part of the Soviet Union and the West of the United States and Canada, the population is still only about 300 million. But the population of China and India adds up to 1.8 billion. Unless those two countries are developed, there will be no Asian century. No genuine Asia-Pacific century or Asian century can come until China, India and other neighbouring countries are developed. By the same token, there could be no Latin-American century without a developed Brazil. We should therefore regard the problem of development as one that concerns all mankind and study and solve it on that level. Only thus will we recognize that it is the responsibility not just of the developing countries but also of the developed countries.

History has shown that it is precisely the richer countries that are the less generous. In the final analysis, we have to depend on ourselves to develop and lift ourselves out of poverty. However, while relying on our own efforts, we should not close our doors but seek friends everywhere. China welcomes cooperation with developed countries, and we should also be happy to see cooperation between developing countries. This last is very important. In particular, the developing countries with large populations should have good policies in this respect. China is now carrying out the policies of reform and opening to the outside world and will strive to become developed in 50 to 70 years. If China and India are developed, we can say that we have made our contributions to mankind. It is precisely for this great goal that the Chinese government has suggested that all developing countries should improve relations and increase cooperation with each other. China and India in particular should do so. That is the view of our government.

The general world situation is changing, and every country is thinking about appropriate new policies to establish a new international order. Hegemonism, bloc politics and treaty organizations no longer work. Then what principle should we apply to guide the new international relations? I have talked about this matter recently with some foreign leaders and friends. Two things have to be done at the same time. One is to establish a new international political order; the other is to establish a new international economic order.

With regard to the latter, I spent a long time on the subject when I spoke at the United Nations General Assembly in 1974. We have been talking about it all along, and we shall go on talking about it.

As for a new international political order, I think the [Five Principles of Peaceful Coexistence](#), initiated by China and India, can withstand all tests. These principles, established by Premier Zhou Enlai and Prime Minister Nehru, are very clear and simple. We should take them as norms for international relations. If we want to recommend these principles as a guide to the international community, first of all, we should follow them in our relations with each other and with our other neighbours. So far as we ourselves are concerned, our two countries should make some readjustments in relations with our neighbours. I am suggesting we do this; please consider it, Your Excellency. It would be an extraordinary thing, which many people would disapprove of. But if we act wisely and adopt a bold strategy, we can surely accomplish it. First of all, let us see to it that the Five Principles of Peaceful Coexistence are reflected in the press communique about the visit of Your Excellency.

The world is changing, so people's minds have to change with it. Because of mistakes made in the past, especially during the "cultural revolution", we have wasted about twenty years when we could have been building our country. After the downfall of the Gang of Four, everything has been changing here in China too. For example, we have changed from taking class struggle as the central task to concentrating on modernization, we have changed from stagnation and a closed-door policy to reform and a policy of opening to the outside world, and we are carrying out all sorts of reforms. I think your country will also encounter this problem of change. Development means change; without change, there can be no development.

(Excerpt from a talk with Prime Minister Rajiv Gandhi of India.)

THE OVERRIDING NEED IS FOR STABILITY

February 26, 1989

In China the overriding need is for stability. Without a stable environment, we can accomplish nothing and may even lose what we have gained.

China must adhere to the policies of reform and opening to the outside world: there lies our hope of solving our problems. But it is impossible to carry out reform without a stable political environment. The Chinese people, on the whole, support the policy of reform, and the overwhelming majority of students favour stability, because they know that without it reform and opening to the outside would be out of the question.

We have correctly evaluated historical events since the founding of the People's Republic and in particular the mistakes of the "cultural revolution". We have also evaluated Comrade Mao Zedong's place in history and Mao Zedong Thought. We must not be too

critical of the mistakes Mao made in his later years. To negate the contributions of such a great historical figure would mean to deny all our achievements during an important period of the country's history. That would lead to ideological confusion and political instability.

China is now in a period when it must concentrate on economic development. If we seek the forms of democracy, we won't achieve the substance, and we won't develop the economy either, but will only throw the country into turmoil and undermine the people's unity. We have had profound experience of this, because we went through the "cultural revolution" and witnessed the disasters it brought upon the country. China has a huge population; if some people demonstrated today and others tomorrow, there would be a demonstration 365 days a year. In that case, we would have no time to develop our economy. We shall develop socialist democracy, but it would be no good for us to act in haste. And it would be even worse for us to adopt Western-style democracy. If we conducted multiparty elections among one billion people, the country would be thrown into the chaos of an all-out civil war as during the "cultural revolution". Civil war does not necessarily require rifles and artillery; people can wage fierce battles just with fist and clubs. Democracy is our goal, but we must keep the country stable.

(Excerpt from a talk with President George Bush of the United States.)

CHINA WILL TOLERATE NO DISTURBANCES

March 4, 1989

The key to our success in modernization, the reform and the opening to the outside is stability. I have told President Bush that in China the overriding need is for stability. We must counter any forces that threaten stability, not yielding to them or even making any concessions. We should not be concerned about what foreigners say; let them say what they please. They'll only abuse us for being unenlightened. We have been berated for so many years! But have we been toppled by their criticisms? Anyway, the affairs of Chinese should be handled by the Chinese themselves. China cannot afford any disorder: we should explain that plainly and repeatedly. If we don't, we shall appear to be in the wrong. We have to send out a signal that China will tolerate no disturbances.

When we size up the situation, we should bear in mind that the workers, peasants and intellectuals and the great majority of students support the reform. Tell our comrades to keep calm when problems arise.

Taiwan's concentrated attack on the [Four Cardinal Principles](#) shows precisely that we cannot discard them. Without them, China would be in turmoil.

Of course, we should be careful about the means we use to control the situation. In particular, we should lose no time in drawing up laws and statutes, including ones to regulate assembly, association, demonstration, and the press and publishing. Anything

that violates the law must be suppressed. China cannot allow people to demonstrate whenever they please, because if there were a demonstration 365 days a year, nothing could be accomplished, and no foreign investment would come into the country. Tightening our control in this area will not deter foreign businessmen from investing in China; on the contrary, it will reassure them. We should make it clear at home and abroad that the purpose of tightening control is to maintain stability and to facilitate the reform, the opening to the outside and the drive for modernization.

Over the last ten years our greatest mistake has been our failure in education. We haven't paid enough attention to the political and ideological education of young people and to the expansion of education. Intellectuals have not been given enough pay and other benefits. We have to solve these problems.

(Excerpt from a talk with leading members of the CPC Central Committee.)

MAINTAIN THE TRADITION OF HARD STRUGGLE

March 23, 1989

China was closed for a long time, which handicapped its economic development. Not until the Third Plenary Session of the Eleventh Central Committee, held at the end of 1978, did we solve this problem. During the ten years from that time to last December, our country scored gratifying achievements. Progress was made both in developing the economy and in raising living standards. Although we made new mistakes, our achievements were dominant. This is our basic assessment. We quadrupled the GNP. That was no small achievement. It can be attributed to our perseverance in socialist modernization, reform and the open policy. We have been following correct lines, principles and policies.

However, although we haven't made any major mistakes, we have made many minor ones, because we have no experience. Without experience, we couldn't help blundering and shall no doubt blunder again. The current problem is inflation. Prices have gone up very rapidly, making things difficult for the country and the people. We are aware of this problem and are prepared to spend two years or more solving it. One thing we have learned is that when development is going smoothly, we have to foresee new problems and keep to an appropriate pace; if the economy overheats, it may well cause trouble.

In short, in formulating a policy, we have to proceed from realities. If we take the realities into account, we shall not make major mistakes. Once we discover a mistake, we should not conceal or ignore it but correct it immediately, to create better conditions for economic development. I think the situation in China is promising, because inflation is more serious in many other countries. So long as the people of the whole country achieve unity of thinking, inflation will not be difficult to overcome. We are confident that we can quadruple the GNP by the end of this century.

Since our victory in the revolution, we have pursued a policy of opposing hegemonism, preserving world peace and supporting the struggles of all oppressed nations for independence and liberation. These tasks are not finished and may continue for at least a hundred years. It is no easy thing to oppose hegemonism. In 1949 Chairman Mao Zedong declared that the Chinese people had stood up. China has achieved status: people dare not look down upon us. Hegemonists and imperialists always bully the developing countries, including African countries, by interfering in their efforts to shake off control, develop their economies and obtain political independence. They do the same to China. The parliament of a certain power adopts one resolution interfering in our internal affairs today and another tomorrow. But China is a vast country with one billion people who have stood up. We are not terrified by these interferences; we can either ignore them or lodge protests.

Since the Taiwan issue remains unsolved, we still confront the task of reunifying the country. If a big developing country like China still has to safeguard its sovereignty, independence and territorial integrity, it is obvious that the other developing countries of the Third World will have a hard time maintaining their sovereignty and independence. They should therefore unite to struggle together.

We are closely following Africa's development and progress towards prosperity. We are pleased to see that many African countries have become independent since the Second World War, creating the best conditions for development. After years of struggle, the international situation is becoming more relaxed, and a world war can be avoided. The African countries should take advantage of this favourable peaceful environment to develop. They should work out strategies and policies for development in accordance with actual conditions in each country, and they should unite so that all their people will work together to promote economic development. I agree that you do not institute socialism immediately after a successful revolution. I have told quite a few African friends that they should not be hasty about establishing socialism. They should not pursue a closed policy either, because that is not the way to develop. You are right in this respect. In a word, we should not close our doors. The biggest lesson we have learned is that we should not isolate ourselves from the rest of the world, lest we become ill-informed. While we were fast asleep, the worldwide technological revolution would be forging ahead.

Over the last ten years China has been developing steadily. Our biggest mistake has been in the area of education. Political and ideological work has been weakened, and we have not done enough to expand education. After sober consideration, we have realized that that mistake is more serious than inflation and other problems. The most important lesson is that 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. That is the only way to resist corruption. We must therefore strengthen political and ideological work among our people and encourage them to struggle hard. That is what we have learned from decades of development. We are not rich and cannot offer you much financial help, but we can share our experience with our friends. That too is a kind of help.

(Excerpt from a talk with President Yoweri Museveni of the Republic of Uganda.)

**LET US PUT THE PAST BEHIND US AND OPEN UP
A NEW ERA**

May 16, 1989

The Chinese people sincerely hope that Sino-Soviet relations will improve. I suggest that we take this opportunity to declare that henceforth our relations will return to normal.

For many years there has been a question of how to understand Marxism and socialism. From the first Moscow talks in 1957 [among delegations from the Soviet Union, China and Hungary] through the first half of the 1960s, bitter disputes went on between our two parties. I was one of the persons involved and played no small role in those disputes. Now, looking back on more than 20 years of practice, we can see that there was a lot of empty talk on both sides. Nobody was clear about exactly what changes had taken place over the century since Marx's death or about how to understand and develop Marxism in light of those changes. We cannot expect Marx to provide ready answers to questions that arise a hundred or several hundred years after his death, nor can we ask Lenin to give answers to questions that arise fifty or a hundred years after his death. A true Marxist-Leninist must understand, carry on and develop Marxism-Leninism in light of the current situation.

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 even a longer period in ancient times. Anyone who fails to carry Marxism forward with new thinking and a new viewpoint is not a true Marxist.

Lenin was a true and great Marxist because it was not books that enabled him to find the revolutionary road and to accomplish the October socialist revolution in backward Russia but realities, logic, philosophical thinking and communist ideals. It was not by reading the works of Marx and Lenin that the great Marxist-Leninist Mao Zedong learned how to accomplish the new-democratic revolution in backward China. Could Marx predict that the October Revolution would take place in backward Russia? Could Lenin foresee that the Chinese revolutionaries would win by encircling the cities from the countryside?

Then, the question was how to make revolution. But the same is true when the question is how to build up a country. After a successful revolution each country must build socialism according to its own conditions. There are not and cannot be fixed models. Sticking to conventions can only lead to backwardness or even failure.

The purpose of our meeting is to put the past behind us and open up a new era. By putting the past behind us I mean ceasing to talk about it and focusing on the future. However, I am afraid it is no good for us just to keep silent about the past. We have to make our views clear. I should like to tell you what the Chinese people and the Chinese Party think

about the past. You don't have to respond to these views or debate them. Let each of us talk about our own. That will help us advance on a more solid basis. I shall only mention two things in brief. First, how China suffered from the oppression of the big powers before liberation; second, where, as the Chinese see it, the threats have come from in recent decades -- specifically, during the last 30 years.

About the first question. Starting from the [Opium War](#), because of the corruption of the Qing Dynasty, China was subjected to aggression and enslavement by foreign powers and reduced to a semi-colonial, semi-feudal status. Altogether, about a dozen powers bullied China, chief among them being Britain. And before Britain, Portugal had compelled China to lease its territory of Macao. The countries that took greatest advantage of China were Japan and czarist Russia -- and at certain times and concerning certain questions, the Soviet Union.

At various times Japan occupied many parts of our country; for 50 years it occupied Taiwan. It carved spheres of influence out of China. In the North in particular, there were Japanese concessions in many big cities. In 1931 Japan started a war of aggression against China, and in 1932 it set up the [Manchukuo](#) regime in the Northeast. In 1937 it launched a full-scale war that lasted for eight years. Thanks to China's resistance, to the joint struggle waged by the antifascist Allies and to the dispatch of Soviet troops to the Northeast, in the end Japan was totally defeated. Japan had inflicted untold damage upon China. Tens of millions of Chinese had died in the war, not to mention other losses. If we were to settle historical accounts, it would be Japan that would owe China the most. Since Japan was defeated, China recovered all the places that had been occupied. The only outstanding issue is Senkaku Shoto [Diaoyu Island], a small and uninhabited island. When I visited Japan, reporters asked me about it. I replied that the problem could be shelved and that if our generation could not solve it, the next generation would be wiser and would eventually find a way to do so. To settle similar disputes, we proposed later that such places be exploited jointly.

The other country that took greatest advantage of China was czarist Russia and later the Soviet Union. Through unequal treaties, Russia seized more than 1.5 million square kilometres of Chinese territory.

China was also encroached upon after the October Revolution. For instance, in 1929 the Soviet Union seized the Heixiazi Islands. When victory in the Second World War was in sight the United States, Britain and the Soviet Union signed [in Yalta a secret agreement](#) dividing up spheres of influence among them, greatly to the detriment of China's interests. That was the period under Stalin. At that time, the Kuomintang government signed a pact with the Soviet Union recognizing the arrangements of the Yalta agreement.

After the People's Republic of China was founded, it signed a new treaty with the Soviet Union. It established diplomatic relations with the People's Republic of Mongolia and reached an agreement on the boundaries between the two countries. Later, China held negotiations on borders with the Soviet Union, asking the Soviet Union to recognize the historical fact that the treaties between czarist Russia and the Qing Dynasty rulers were

unequal and had permitted Russia to encroach upon Chinese territory. Nevertheless, since more than 1.5 million square kilometres were seized under the treaties, and in view of past and present realities, we are still willing to settle border disputes on the basis of those treaties.

That was the first question. Spelling out our views may help solve problems left over by history and clarify what I mean by opening up a new era. So it was worth mentioning.

Now about the second question. Where have the threats come from in recent decades? Shortly after the end of the Second World War, the Chinese revolution triumphed, and the People's Republic was founded. China did not invade other countries and posed no threat to them, but other countries threatened China. Our country was poor and weak but independent. Where did the major threats come from? As soon as it was founded, the PRC was confronted with this question. At that time, the threat came from the United States. Glaring examples were the [Korean War](#) and then the [Vietnam War](#). In the first, China sent volunteers to fight the United States. The Soviet Union supplied us with arms but asked us to pay for them, albeit at half price. In the following years Sino-Soviet relations deteriorated, and China was beset with economic difficulties. But no matter how serious our difficulties were, we were determined to pay that bill, and we paid it two years ahead of time.

In the 1960s the Soviet Union strengthened its military presence all along the borders between China and the Soviet Union and Mongolia. The number of missiles was increased to one third of the Soviet Union's total, and troops were increased to one million, including those sent to Mongolia. Where was the threat coming from? Naturally, China drew its conclusions. In 1963 I led a delegation to Moscow. The negotiations broke down. I should say that starting from the mid-1960s, our relations deteriorated to the point where they were practically broken off. I don't mean it was because of the ideological disputes; we no longer think that everything we said at that time was right. The basic problem was that the Chinese were not treated as equals and felt humiliated. However, we have never forgotten that in the period of our First Five-Year Plan the Soviet Union helped us lay an industrial foundation.

If I have talked about these questions at length, it is in order to put the past behind us. We want the Soviet comrades to understand our view of the past and to know what was on our minds then. Now that we have reviewed the history, we should forget about it. That is one thing that has already been achieved by our meeting. Now that I have said what I had to say, that's the end of it. The past is past.

More contacts are being made between our two countries. After bilateral relations are normalized, our exchanges will increase in depth and scope. I have an important suggestion to make in this regard: we should do more practical things and indulge in less empty talk.

There is only one thing I shall have left undone in my lifetime: the resolution of the Taiwan question. I'm afraid I shall not live to see it. In foreign affairs, I have participated

in accomplishing the following: we have readjusted our relations with Japan, the United States and the Soviet Union, and we have decided to recover Hong Kong and have reached an agreement with Britain in that regard. In domestic affairs, I have participated in defining the Party's basic line, deciding to concentrate on modernization, adopting the policies of reform and opening China to the rest of the world and upholding the [Four Cardinal Principles](#). What I have not accomplished is to abolish the system of life tenure in office; that is an important problem concerning the system of leadership.

(Excerpt from a talk with Mikhail Gorbachev, President of the Presidium of the Supreme Soviet of the USSR and General Secretary of the Soviet Communist Party.)

**WE MUST FORM A PROMISING COLLECTIVE
LEADERSHIP THAT WILL CARRY
OUT REFORM**

May 31, 1989

The policies of reform and opening to the outside world should remain unchanged for dozens of years, and we have to keep driving this point home. People both in China and abroad are concerned about this question. We should continue to implement the lines, principles and policies that have been formulated since the Third Plenary Session of the Eleventh Central Committee, without even altering their wording. The political report to the [Thirteenth National Party Congress](#) was approved by the congress, and not a single word of it can be changed. I have consulted Comrades [Li Xiannian](#) and [Chen Yun](#) on this matter, and they agree with me.

[After the disturbances are put down](#), we shall have to make a few things clear to the people. There are two things in particular we have to do for this purpose.

First, we should change the leadership. The new central leading bodies should take on an entirely new look, so that people will feel that there is a promising new lineup of leaders who will carry out reform. This is the most important thing to do. You have to appear before the people! The people will judge you on the basis of the impression you make. If they feel that the leadership is hidebound, conservative or mediocre and that it does not represent the future of China, there will be many more disturbances and never any peace. The current disturbances are not over. The students have not yet returned to classes. And even after they do, they may well turn out in the streets again.

One thing is certain: the workers, peasants, intellectuals and students all hope for reform. This time there are all kinds of slogans but none voicing opposition to reform. However, the "reform" advocated by certain people should be renamed liberalization -- that is, going capitalist. The essence of their "reform" is to go capitalist. The reform we are carrying out is different from theirs. There will be more debate on this subject. In short, in deciding on members of the new leading bodies, the most important consideration is

that they should be perceived as reformers. This is not ninety-nine per cent important, but one hundred per cent important. We have to recognize this.

Second, we should accomplish some practical things to prove that we are fighting corruption genuinely, not hypocritically. Actually, we have been determined to fight it all along. I too am outraged by corruption. Over the last few years I have always stressed the importance of combating it; you have heard my remarks on the subject time and again. And I often try to find out whether there is any violation of law or discipline in my own family. We can always uncover major cases of corruption if we want to. The problem is that we are usually hesitant about handling such cases. So we end up losing the support of the people, who come to believe that we are protecting the wrongdoers. We must pass this test and keep our promise. If we really want to win the trust of the people, we have to call a spade a spade and deal with cases as they should be dealt with. We should take up 10 or 20 cases of corruption, graft or bribery at the provincial or national level. We must uncover such cases speedily, make them known to the public and handle them according to law. Penalties should be imposed on all guilty parties, no matter who they are.

A good leading group, a group that carries out the policies of reform and opening to the outside world, will achieve visible successes. Whenever an opportunity arises, they will not let it go but seize it to advance the reform and to open the country wider. I have said we should build more Hong Kongs. That means that we should open to the outside world instead of closing our doors -- open wider than before. If we don't, it will be impossible to develop the country. We have only a small amount of capital, but with our doors open we can create more jobs, levy taxes and earn some money by leasing land, all of which will promote economic development and increase our revenue. For example, Hong Kong is of benefit to us. Without Hong Kong, we would not be well informed, to say the least. In short, we should be more daring in the reform and opening to the outside world.

Today you have been invited to come here and think over whether you agree with the following views. The first thing we have to do to reassure the people and win their trust is to form a central group of leaders who have the image of promoters of reform and the open policy. The second thing is to achieve some visible results. We must punish corruption, and at the same time we must make it clear that we are resolved not to change the current policies but, on the contrary, to deepen the reform and open still wider to the outside world. We must convince the people through our actions; that's the only way to calm them down. Otherwise, some people will take to the streets today and others will follow suit tomorrow. If we don't give deeper thought to this matter, we won't have even a month's peace. We have to recognize that it is of overall importance.

Our comrades on the Political Bureau, on the Standing Committee of the Political Bureau and in the Secretariat are all in charge of important affairs. In approaching any problem, they should therefore keep their eyes on long-term interests and the situation as a whole. Minor matters should be subordinated to major ones. This is of prime importance.

Everybody has shortcomings. All of us present here have shortcomings, and other people have theirs too. Everybody has his weaknesses. Naturally there are differences. Some

people have major shortcomings, others have minor ones; some have more, others fewer. There is nobody who has no shortcomings. No doubt the members of our leading group have had only limited experience in politics and struggle. That's true. The first stable and mature collective of leaders of the CPC was formed by Mao Zedong, [Liu Shaoqi](#), Zhou Enlai and Zhu De. All previous ones had been unstable and immature. From [Chen Duxiu](#) to the [Zunyi Meeting](#), not a single leading group was truly mature. For one period of time, a worker was dragged into the post of General Secretary because, it was argued, it was necessary to stress the leadership of the working class. In the history of the Party, Mao, Liu, Zhou and Zhu formed the first generation of truly mature leadership. During the early period of their tenure of office, that generation of leaders was good, but during the later period the ``cultural revolution" caused a catastrophe. [Hua Guofeng](#) was merely an interim leader and cannot be counted as representing a generation. He had no ideas of his own but the ``two whatevers". We are of the second generation, now being replaced by the third.

We should establish a new third generation of leaders worthy of the name. These leaders should win the trust of the people and the Party members. People don't necessarily have to be pleased with each and every member of the leading group, but they have to be pleased with the group as a collective. They may have complaints of one sort or another about each member of the leading group, but if they are pleased with the group as a collective, that will be all right. For the second generation of leaders, I can be considered as the group leader, but the group is still a collective. By and large, the people are pleased with our collective, because we have carried out the policies of reform and opening to the outside world, put forward the line of concentrating on modernization and brought about tangible results. The third generation of leaders must likewise win the trust of the people and bring about tangible results. We must never close our doors. China can never go back to the days of isolationism. Isolationism brought about disasters like the ``cultural revolution". Under those circumstances it was impossible to develop the economy, improve the people's lives or increase the strength of the country. The world today is progressing by leaps and bounds; changes are taking place from one day to the next, especially in the realm of science and technology. It will be difficult for us to catch up.

The third generation of leaders of the Central Committee should win the trust of the people, so that they will rally around it. We should unswervingly combat bourgeois liberalization and adhere to the [Four Cardinal Principles](#). On this point I have never made any concessions. Can China reject the Four Cardinal Principles? Can we refrain from exercising the people's democratic dictatorship? It is a matter of fundamental importance whether we uphold the people's democratic dictatorship, Marxism, socialism and leadership by the Communist Party.

The new leading bodies we are about to form should be farsighted and broad-minded. This is the most fundamental requirement to be met by our third generation of leaders. Our first generation of leaders were broad-minded during their early period in office, and on the whole, the second generation has been so too. The same requirement should be met by leaders of the third and subsequent generations. Candidates for members of the new Political Bureau, the Secretariat and especially the new Standing Committee of the

Political Bureau should be selected on the basis of their position on reform and opening to the outside world. The members of the new leading bodies should constantly take action to prove that they are truly carrying out the policies of reform and opening up that have been formulated since the Third Plenary Session of the Eleventh Central Committee. Thus the people will have confidence in them.

When it comes to promoting people, you must abandon all your personal prejudices and try to find those who the people believe will keep to the line of reform. When selecting the right person for the right job, you should forget about settling old scores and choose from among people who were once against you. For a long time Chairman Mao dared to make use of people who had once opposed him. When considering candidates, you should be more broad-minded. This too is a kind of reform, an ideological reform, an emancipation of the mind. I sincerely hope that when you select people for jobs, you will pay attention to public opinion and not let yourselves be swayed by your own sentiments. You should deal with this matter in a statesmanlike way. You should choose precisely those who, as acknowledged by the people, keep to the policies of reform and opening to the outside world and who have achieved something in this connection. You should not hesitate to include them in the new leading bodies, so as to convince the people that you are sincere in carrying out those policies. Everyone has shortcomings. They can continue to remedy their shortcomings after they have been admitted to the leading bodies.

First, we should use reformers who are recognized as such by the public, and second, the new leading bodies should take action to promote reform and opening up so as to reassure the people. A good image can be established in three to six months. The students are only demanding that we continue the reform, and that is precisely what we are doing. So we and the students are marching in step, and the misunderstanding will disappear of itself. But it cannot be removed by writing articles and holding debates. One of the causes for the recent turmoil is the growth of corruption, which has made some people lose confidence in the Party and the government. Therefore, we should first of all rectify our own mistakes and show understanding for some of the actions taken by the masses. We should deal with such actions in an appropriate way, without involving too many people.

A member of the top leadership should no longer be content to be his old self with his old outlook, because he has undertaken different responsibilities. He should work to make changes in himself, including changes in his style of work. It is not easy to lead a country like ours. A leader's responsibilities are different. The most important thing is to be broad-minded. And when you examine a question, you have to bear in mind the overall interests, keeping in view the world, the future, the present and all other factors.

Another problem is that small factions or cliques must never be allowed to take shape in the Party. Strictly speaking, no factions of any sort have ever taken shape in our Party. While in Jiangxi in the 1930s, I was regarded [as a member of the Mao faction](#), but it was not true. There simply was no Mao faction. It is of key importance to be tolerant of all kinds of people and unite with them. As for myself, I am not a perfect man who makes no mistakes; I have made many. But I have a clear conscience, partly because I have never tried to form a clique. When I was transferred to a new post, I used to go there alone,

without taking even my orderly. A clique is a terrible thing that leads to many failures and mistakes. I have tried to make this point clear today because you have to work in the front lines, bearing the brunt of all difficulties.

Once the new leading group has established its prestige, I am resolved to withdraw and not interfere in your affairs. I hope all the members will unite closely around Comrade Jiang Zemin. So long as the collective leadership is united and adheres to the policies of reform and opening to the outside world, fundamental changes will take place in China even if our country develops only at a measured pace for dozens of years. The core leader will play the key role. I should like you to convey my words to every comrade who will be working in the new leading bodies. This can be considered my political testament

(Excerpt from a talk with two leading members of the CPC Central Committee.)

**ADDRESS TO OFFICERS AT THE RANK OF GENERAL AND ABOVE
IN COMMAND OF THE TROOPS ENFORCING MARTIAL LAW IN
BEIJING**

June 9, 1989

Comrades, you have been having a hard time!

First of all, I should like to express my deep grief over the officers and men of the People's Liberation Army, the People's Armed Police Force and the Public Security Police who have died heroically in this struggle. I also want to express my sincere solicitude for the thousands of PLA, PAPF and PSP officers and men who have been wounded. I extend my cordial greetings to all your officers and men who have taken part in the struggle.

Let us stand in silent tribute to the martyrs!

On this occasion I should like to say a few words.

This disturbance would have occurred sooner or later. It was determined by both the international environment and the domestic environment. It was bound to occur, whether one wished it or not; the only question was the time and the scale. That it has occurred now is to our advantage, especially because we have a large number of veteran comrades who are still in good health. They have experienced many disturbances and understand the possible consequences of different ways of dealing with them. They support the resolute action taken against the rebellion. Some comrades do not understand that action for the time being, but they will come to understand it and support the decision of the central authorities.

The April 26th editorial in People's Daily described the disturbance as turmoil. The word "turmoil" is quite appropriate. It is this word that some people object to and are trying to

change. But facts show that the assessment is accurate. It was also inevitable that the turmoil should grow into a counter-revolutionary rebellion. We have a number of veteran comrades, including some in the army, who are still in good health, and a number of other leading cadres who joined the revolutionary ranks in different periods. It has therefore been relatively easy to cope with the incident that has broken out.

The major difficulty in handling it has been that we have never encountered a situation in which a handful of bad people were mingled with so many young students and crowds of onlookers. Since for the moment we were not able to distinguish between innocent and guilty, we could scarcely take the actions that should have been taken. Without the support of so many veteran Party comrades, it would have been hard even to determine the nature of the incident. Some comrades did not understand its nature and thought that we were only dealing with the masses. In fact, we were dealing not only with people who merely could not distinguish between right and wrong, but also with a number of rebels and many persons who were the dregs of society. They tried to subvert our state and our Party. This is the crux of the matter. If we don't understand this fundamental question, we shall not be clear about the nature of the incident. I believe that if we work at it, we can win the support of the overwhelming majority of Party comrades for our assessment of the nature of the incident and for the measures we have taken to cope with it.

The nature of the incident should have been obvious from the very beginning. The handful of bad people had two basic slogans: overthrow the Communist Party and demolish the socialist system. Their goal was to establish a bourgeois republic, an out-and-out vassal of the West. Naturally, we accepted the people's demand for a fight against corruption. We even had to accept as well-intentioned the so-called anti-corruption slogans of the bad individuals. Of course, these slogans were simply pretexts, and their ultimate aim was to overthrow the Communist Party and demolish the socialist system.

Why is it that in the course of putting down the rebellion so many of our comrades laid down their lives or were wounded or robbed of their arms? This too was also because good people and bad were mixed together, so that we could not take the resolute measures we should have taken. Handling this incident was a very rigorous political test for our army. Facts have shown that the PLA men passed the test. If our tanks had pressed forward through the crowd, it would have made it impossible for the entire nation to distinguish between right and wrong. I therefore want to express our thanks to the PLA officers and men for their handling of the rebellion. The losses were grievous, but they helped win the people's sympathy and support and enabled those who had confused right and wrong to change their point of view. From those losses everyone could tell what the PLA men were like, whether they turned Tian'anmen into a sea of blood and who it was that shed blood. Once these questions had been clarified, we were able to gain the initiative. It is a grievous thing that many comrades laid down their lives, but if people analyse the course of the incident objectively, they will have to admit that the PLA is the people's own army. This loss of life will also help the people understand the methods we used in the struggle. From now on, whenever the PLA takes measures to cope with a

problem it encounters, it will be able to win the people's support. By the way, the men should not allow their weapons to be seized again.

In short, this was a test and you passed it. There are not many veteran comrades in the army, and most of the soldiers are only 18 or 20, but they are still true men of the people's army. When their lives were in danger, they stood firm, not forgetting the people, the Party's teachings or the interests of the country. They went to their death unflinchingly, worthy of the title of heroes. By passing the test, I mean that the army remained an army of the people. The army passed the test in respect to its nature as a people's army. It retains the traditions of our former Red Army. It was by no means easy to pass this genuine political test, a test of life and death! This shows that the people's army is truly a great wall of steel guarding the Party and the country. It shows that no matter how great the losses it suffers, and no matter how one generation of leaders is replaced by another, our army will always be an army led by the Party, the defender of the country, the guardian of socialism, the protector of the people's interests, and the most beloved men. At the same time, we should never forget how ruthless our enemies are. We should not grant them the least forgiveness.

The outbreak of this incident has given us much food for thought, impelling us to reflect soberly on the past and the future. Perhaps this bad thing will enable us to progress more steadily and even faster than before in carrying out the policies of reform and opening to the outside world, to correct our errors more quickly and give better play to our advantages. Today I can't elaborate on a wide range of topics, but I should like to put forward some questions to be discussed.

The first question is whether the line, principles and policies formulated at [the Third Plenary Session of the Eleventh Central Committee](#), and our "three-stage" development strategy are correct. Has their correctness been placed in doubt because of the turmoil? Is our goal a "Left" one? Will it remain our goal in future? Clear-cut, positive replies must be given to these important questions. Our first goal of doubling the gross national product has been achieved. Our second goal of doubling the GNP again is to be achieved in 12 years. In another 50 years, we are to reach the level of the moderately developed countries. That is our strategic goal. In this connection, I believe our judgement of our capabilities is not a "Left" one, and the goal we have set is not overambitious. Therefore, as the reply to the first question, we should say that the strategic goal we have set cannot be described as unattainable, at least not now. It will be something wonderful for a country with a population of 1.5 billion to reach the level of a moderately developed country in 61 years. We should be able to attain that goal. We should not say that we have set a wrong strategic goal merely because of the recent incident.

The second question is whether the "one central task, two basic points" proposition set forth at [the Party's Thirteenth National Congress](#) is correct. In particular, are the two basic points, namely, keeping to the [Four Cardinal Principles](#) and carrying out the policies of reform and opening to the outside world, wrong or not? I have been pondering over this question recently. I think they are not wrong. It is not wrong to keep to the Four Cardinal Principles. If we have made a mistake, it is that we have not kept to them

consistently enough and inculcated them as basic ideas in the people, the students and all cadres and Party members. The recent incident was in the nature of a conflict between bourgeois liberalization and adherence to the Four Cardinal Principles. True, we have talked about keeping to those principles, conducting ideological and political work and combating bourgeois liberalization and mental pollution. But we have not talked about those things consistently, and there has been no action or even any mention of the need for action. The mistake was not in the principles themselves, but in the failure to keep to them consistently enough and to do a good job in education and in ideological and political work.

In my speech at the People's Political Consultative Conference on New Year's Day, 1980, [I explained the need to do four things](#), including to maintain the pioneering spirit of hard struggle. We have a tradition of hard struggle. 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. Encouraging such a spirit will also help to overcome corruption. After the founding of the People's Republic, we always stressed the need to build the country in that spirit. Later, when things were slightly better, we encouraged a high level of consumption, which resulted in the spread of extravagance and waste in every field. It was because of this, because of our poor performance in ideological and political work and because of the incomplete legal system, that violations of the law and discipline, corrupt practices, etc. all came about. I have told foreign guests that during the last ten years our biggest mistake was made in the field of education, primarily in ideological and political education -- not just of students but of the people in general. We didn't tell them enough about the need for hard struggle, about what China was like in the old days and what kind of a country it was to become. That was a serious error on our part.

What about the other basic point, keeping to the policies of reform and opening to the outside world? Is that wrong or not? It is not wrong. How could we have achieved the success we have today without the reform and the open policy? During the last ten years living standards have been raised considerably, or in other words, our economy has been raised to a new stage. Although there have been inflation and other problems, we must not underestimate our achievements in the past decade. Naturally, in the process of carrying out these policies many bad influences from the West are making themselves felt in China. We have never underestimated this trend. In the early 1980s when the special economic zones were established, I told comrades in Guangdong that we should do two types of work at the same time: carrying out the policies of reform and opening on the one hand and cracking down on economic crime on the other, including ideological and political work. This conforms to the doctrine that everything has two aspects. But looking back over the years, we can see obvious deficiencies in what we did. We failed to attach equal importance to both types of work, and there was no proper coordination between them. I have made this point clear in the hope that it will be helpful in formulating our principles and policies in future.

In addition, we must continue to combine economic planning with regulation by market forces. This should never be changed. In our practical work during the period of

readjustment we have more planning, while under other circumstances we can have more market regulation and more flexibility. The combination of planning and market regulation will be continued. The important thing is that we must never turn China back into a country that keeps its doors closed. A closed-door policy would be greatly to our disadvantage; we would not even have quick access to information. People say that information is important, right? It certainly is. If an administrator has no access to information, it's as if he was purblind and hard of hearing and had a stuffed nose. And on no account must we go back to the old practice of keeping the economy under rigid control. I should like the Standing Committee of the Political Bureau to study this whole matter. It is an urgent problem that has to be tackled.

This is a summary of our work over the last ten years. Our basic ideas, from the development strategy to the principles and policies, including the policies of reform and opening to the outside, are correct. If our efforts have fallen short in any respect, it is that we have not done enough to implement those policies. We have encountered more difficulties in the reform than in the opening process. In the reform of the political structure, one thing is certain: we must adhere to the system of the people's congresses instead of practising the separation of the judicial, executive and legislative powers on the American pattern. As a matter of fact, not all the Western countries follow the pattern of separation of powers. The United States has blamed us for suppressing the students. But didn't the U.S. itself call out police and troops to deal with student strikes and disturbances, and didn't that lead to arrests and bloodshed? It suppressed the students and the people, while we put down a counter-revolutionary rebellion. What right has it to criticize us? In future, however, we must make sure that no adverse trend is allowed to reach that point.

What should we do from now on? In my opinion, we should continue to follow unswervingly the basic line, principles and policies we have formulated. There should be no changes in them except for a few changes of wording, if necessary. This question of what we should do from now on has been raised, and I hope you will give it careful consideration. As for where investment should go and where funds should be used, I am in favour of applying them to strengthen basic industries and agriculture. We should increase our investment in basic industries -- raw and semi-finished materials, transportation and energy. We should keep on doing that for 10 to 20 years. We should increase our investment in these industries even if it means going into debt. Borrowing money is also a way of opening to the outside. In this regard we should display more courage; we won't make any major mistakes. We can accomplish many things if we have more electric power and build more railways, highways and ports. Foreigners predict that we shall need 120 million tons of steel a year in future. Our present output is about 60 million tons, only half that figure. If we renovate the existing enterprises and produce 20 million more tons of steel, we shall be able to curtail the import of steel products. Borrowing money abroad for this purpose is also part of reform and opening. The question before us now is not whether the policies of reform and opening are right or whether they should be implemented but how to carry them out, what to open and what to close.

We should unswervingly carry out the line, principles and policies formulated since the Third Plenary Session of the Eleventh Central Committee. We should carefully review our experience, keep on doing what is right, correct what is wrong and make up for what is inadequate. In short, we should learn from the past and look to the future.

That's all I have to say on this occasion.

URGENT TASKS OF CHINA'S THIRD GENERATION OF COLLECTIVE LEADERSHIP

June 16, 1989

The Communist Party should establish its third generation of collective leadership. Historically, our Party never had a mature central leadership before the [Zunyi Meeting](#). [Chen Duxiu](#), [Qu Qiubai](#), [Xiang Zhongfa](#), [Li Lisan](#) and [Wang Ming](#) all failed to form a capable central leadership. It was only after the Zunyi Meeting that the collective leadership of the Party began to take shape. That leadership was composed of Comrades Mao [Zedong], Liu [Shaoqi], Zhou [Enlai], Zhu [De] and [Ren Bishi](#). After Comrade Bishi passed away, Comrade [Chen Yun](#) was added to the leadership. At [the Eighth National Congress of the Party](#), the Central Committee established a Standing Committee composed of Mao, Liu, Zhou, Zhu, Chen and Deng [Xiaoping]. Later on, [Lin Biao](#) was added to the Standing Committee. This collective leadership lasted until the "cultural revolution".

In the long history before the "cultural revolution", no matter what mistakes our Party made and no matter how the composition of the leadership changed, it always remained a collective leadership with Comrade Mao Zedong as the core. That was the first generation of collective leadership.

At [the Third Plenary Session of its Eleventh Central Committee](#), the Party established a new collective leadership -- the second generation. Actually, it can be said that in this leadership I am in the key position. Ever since the establishment of this collective leadership, I have been arranging for my successor. Neither of the successors I chose retained their post for long, but at the time, given their experience in struggle, their achievements in work and their political and ideological level, they were the best choices I could make. Besides, people change.

A collective leadership must have a core; without a core, no leadership can be strong enough. The core of our first generation of collective leadership was Chairman Mao. Because of that core, the "cultural revolution" did not bring the Communist Party down. Actually, I am the core of the second generation. Because of this core, even though we changed two of our leaders, the Party's exercise of leadership was not affected but always remained stable. The third generation of collective leadership must have a core too; all you comrades present here should be keenly aware of that necessity and act accordingly. You should make an effort to maintain the core -- Comrade Jiang Zemin, as you have

agreed. From the very first day it starts to work, the new Standing Committee should make a point of establishing and maintaining this collective leadership and its core.

As long as we have a good Political Bureau, and a good Standing Committee in particular, and as long as the committee is united and sets an example by working hard to build the country and by combating corruption, it can withstand all kinds of trouble. [This incident](#) showed that the working class, the peasantry and the Liberation Army are reliable, and so are the intellectuals, who are part of the working class. But if the central leadership had been in disarray, it would have been hard to say what would have happened. That was crucial. The destiny of the country, the Party and the people hinges on a strong collective leadership such as I have described.

I told Comrades Li Peng and Yao Yilin that [once the new leaders began to work in an orderly way](#), I would no longer concern myself with your affairs or interfere in them. I also told them that that was my decision regarding my political role. Of course, if you want to consult me, I'm not going to turn you down, but it won't be the way it used to be. I hope that after the new Political Bureau and its Standing Committee are established, they will not announce that I am going to play any particular role. Why? Not because I am modest or anything else. But as things stand now, if I carried too much weight, it would not be good for the country and the Party, and some day it would be dangerous. Many countries base their China policies on the prospect of my illness or death. I have been aware of this for many years. It is unhealthy and very risky to base the destiny of a country on the prestige of one or two individuals. That's all right so long as nothing happens; but if anything happens, the situation will be hard to handle.

Once the new leading group is formed, you must be responsible for everything, that is, for your mistakes and for your successes. That way you can work independently, which is good because it means the new collective leadership can temper itself. After all, our old method was not very successful. I am 85 years old, and at this advanced age I should know what's right for me to do. My chief concern is the overall interest. If a person's presence adversely affects stability and sound development, that will be a problem. If there is something I can do, I shall be more than ready to help from the sidelines, but under no circumstances should I be given any official title.

This incident has shown that the crucial question is whether we should keep to the socialist road and uphold leadership by the Party. The Western imperialists are trying to make all socialist countries abandon the socialist road, to bring them in the end under the rule of international monopoly capital and set them on the road to capitalism. We have to take a clear-cut stand against this adverse current. Because if we did not uphold socialism, we would eventually become, at best, a dependency of other countries, and it would be even more difficult for us to develop. The international market has already been fully occupied, and it will be very hard for us to get in. Only socialism can save China, and only socialism can develop China.

In this connection, the rebellion has been a great enlightenment to us; it is important because it sobered us up. China would have no future if it did not follow the socialist

road. China is a poor country, so why is it that people regard it as forming the "great triangle" with the United States and the Soviet Union? Because China is an independent country. Why do we say we are independent? Because we are trying to build socialism, a socialism suited to our own conditions. Otherwise, we should have to act in accordance with the will of the Americans, or of people in other developed countries or in the Soviet Union. How much independence would we have then? At the moment, the media worldwide are putting pressure on us; we should take it calmly and not allow ourselves to be provoked. Nonetheless, we should manage our own affairs well; this incident has really revealed enough of our mistakes! We have indeed made mistakes. And they are not minor ones.

Next I want to talk about what work we should do in the near future. We cannot wait until we have completely quelled the rebellion. We should, on the one hand, work to do that and, on the other hand, sort out the mistakes we have made, find ways to remedy them and identify the urgent problems. We cannot deal with everything at once. If at this time we start a discussion on a theoretical question, such as the market and planning, not only will it not help stabilize the situation but it will delay our work. Right now we should concentrate on doing some things to satisfy the people. At the same time we should quickly address the problems that prevent us from moving ahead.

First, economic development should not slow down. We should work hard to achieve as high a growth rate as possible. Of course, the rate should not be so high as we originally planned. At present, the main problem is that our basic industries are weak and that we don't have enough electricity and raw and semi-finished materials. Moreover, small enterprises have used up materials that should have been allocated to large ones. As a result, the state has suffered heavy losses. When we address the question of economic slowdown this time, we should sort out the urgent problems and solve them without hesitation. Hesitation causes delay. We should quickly set about doing everything that we are sure is correct and that helps us develop. We should try to expand the economy at a satisfactory speed in the next 11 and a half years. When we have redoubled the GNP in real terms, the people will see that our country and our socialist cause are flourishing. The Central Committee and the State Council must be capable and must have authority. How can they function without authority?

I propose that a body be established to study the strategy and programme for development in the first 50 years of the next century, in particular to work out a plan for developing basic industries, communications and transportation. Measures should be taken to ensure steady and sustained development. As I said earlier, after this incident, as long as we conscientiously review our past and consider our future, the country will develop not only in a better, more stable way but also faster. It is possible for us to turn this bad thing to good account. That body should also study the problem of agriculture, which may eventually be solved through science. Science is a great thing, and we should recognize its importance.

Second, we should do some things to satisfy the people. There are chiefly two things: one is to carry out the reform and opening to the outside world with greater daring, and the other is to move swiftly to punish corruption.

The work related to opening to the outside world should be done mainly by the State Council. The Council should make its determination to open wider known abroad; it has to have the courage to do that. In general, it should allow enterprises to make less profits and should not be afraid of losses. It should be prepared to do anything as long as it is in our long-term interest. It should do more to facilitate reform and opening to the outside. Joint ventures involving foreign capital should be set up, and local areas should be allowed to establish development zones. If we absorb more foreign capital, it will surely benefit foreign businessmen, but we too shall benefit eventually. For example, we can collect taxes, introduce professional services for foreign-funded enterprises and establish some profitable enterprises ourselves. In this way our economy will be invigorated.

Since foreigners are afraid that we shall close our doors again, we should do some things to demonstrate that our policies of reform and opening to the outside world will not change but will be further implemented. The highest objective of our political restructuring is to keep the environment stable. I have told Americans that China's overriding interest is in stability. Anything that helps maintain stability is good. We have never backed down from our position of upholding the [Four Cardinal Principles](#). The Americans' criticisms and rumors are nothing. Cutting back overstuffed organizations and strengthening the legal system are both components of the reform.

As for punishing corruption, we should handle at least ten to twenty major cases publicly and without delay. In this incident there were no slogans against reform and opening to the outside world, but one of the slogans frequently chanted was the demand to combat corruption. Of course, certain persons used this slogan as a pretext for misleading the people. But for our part, if we do not punish corruption, especially among high-level Party leaders, we run the risk of failing to rectify the Party and to achieve our strategic goals. The new leaders should first of all address this problem, which is also an important part of our efforts to rectify the Party. While you are labouring to build the country, how can other people be allowed to profit from corruption? I hope you will especially discuss this question.

We should carry out reform and open to the outside world and at the same time punish corruption. When people see that these two things are combined, they will have a clearer understanding of our policies and give them greater support.

Third, we should quell the rebellion completely. This is a fine opportunity to dismantle all the illegal organizations in China; it is really a good thing. If we handle it correctly, we shall achieve a great victory. We should not be soft on people who are guilty of the most heinous crimes. Of course, we still need to distinguish between right and wrong and between more serious and less serious crimes, to take facts as the basis for judgement and the law as the criterion, and to be lenient with those who confess and severe with those who refuse to. Specific measures can vary so long as they conform with these policies.

I hope you will concentrate on accomplishing the three things I have just mentioned. One more point: comrades on the Standing Committee should pay close attention to building the Party. It is high time that this Party was rectified; there can be no delay.

(Excerpt from a talk with leading members of the Central Committee of the CPC.)

**WITH STABLE POLICIES OF REFORM AND OPENING TO THE
OUTSIDE WORLD, CHINA CAN HAVE GREAT HOPES FOR THE
FUTURE**

September 4, 1989

Today I want to concentrate on discussing when and how I should retire.

I have decided to retire. My retirement will be very beneficial. If I stay on and die at my post, it is hard to tell what repercussions that might evoke worldwide. Even if I am retired and no longer dealing with official business, I can still play some small role as long as I'm around. That's because many foreigners know me, which to some extent affects their relations with China. There is nothing we can do about that. For the sake of China's security, it is better for me to retire now than to wait until something bad happens, or to stay on at my posts until I die. I made up my mind to retire several years ago. I've said on many occasions that I wanted to retire, and I sincerely meant it. As things stand now, there is no perfect time for me to do so. Every time there was one reason or another why I should not retire. At the Party's Thirteenth National Congress [I secured a partial retirement](#). But I have always thought it would have been better if I had retired completely.

We have to select as members of the leading bodies younger people and Marxists. We do have trained people with political integrity and a good understanding of Marxism-Leninism. In choosing leaders, we should not confine ourselves to Party members but should have a wider field of vision. In short, we must have some young people as leaders, or it will be difficult to carry on. Some members of the current Standing Committee of the Political Bureau are elderly, but some are relatively young. When they were elected, I said that it was important for both Chinese and foreigners to perceive them as people who would follow the policies of reform and opening to the outside world. As we see it now, domestic and international reaction to the leaders we elected at the Fourth Plenary Session of [the Thirteenth Central Committee](#) and to their recent actions has at least been quiet. People think the new leading body is reliable. This shows that it can gain the trust of the people and of the international community. If two or three or six months after the old-timers like us retire, the situation is really stable, if we have political stability and unity, if China is still developing and is continuing to follow its current line, principles and policies, then our influence will gradually wane. That will be a good thing.

[When this incident occurred](#), I didn't think it would be right for me to retire immediately. It has been three months since then. But if a formal decision on my retirement is made at

the [Fifth Plenary Session of the Party's Thirteenth Central Committee](#), to be held in about a month and a half, that will make four or five months, and by that time the political situation will be relatively calm, so that will be an opportune moment for me to retire. I have stated on many occasions that my last task is to take the lead in establishing a retirement system. I have already been trying to gradually get used to retirement. It will take time for me to completely relinquish the work I have been doing for decades. At the next national Party congress the Central Advisory Commission will be abolished and a retirement system established. What would you say to my retiring at the Fifth Plenary Session? We have been hesitating for so many years that my retirement has already been delayed. Old people have their own strengths and weaknesses. Their minds may fail at any time, and at a certain stage their physical strength also deteriorates. This is an unalterable law of nature, and old leaders have to be continually replaced by new ones. Under a retirement system, it will be fairly easy to replace leaders with new ones or to transfer them to other posts. Let's consider this settled. That is the first question.

The second question is the way in which I should retire. I have discussed it with Comrade [Yang Shangkun](#), and we have agreed that the simpler it is, the better. We should not make a habit of singing the praises of people who retire. That isn't necessary. If you have worked in the Party for decades, people know what you have accomplished in your lifetime and can form an objective evaluation. Having thought a lot about it, I've come to realize that it would be best for me to retire in a simple manner and to be the first to do so. A simple, neat and efficient way would be for the Central Committee to grant my request for retirement and say a few words about it. I have stated time and again that it is abnormal to base the fate of a country on the prestige of one or two persons. It is not good to eulogize them on the occasion of their retirement. Some other formalities, such as memorial meetings, which have been held too frequently and consumed a great deal of human and material resources, should also be simplified.

All of us have worked for the revolution for decades and have achievements to our credit. We have also made some mistakes, but it is only our achievements that are made public. I have declined many times the request of foreigners that I write my autobiography. If an autobiography is only about the author's merits and doesn't speak of his mistakes, he is simply lavishing praise on himself. What's the point of that? It is good that some comrades have written their memoirs. Comrade [Nie Rongzhen](#) has written realistically about [his own experiences](#). Other people, such as [Comrade Li Weihan, have also written about their mistakes](#). But some have mainly given publicity to themselves in their memoirs. That sort of thing is not commendable. The evaluation of me should not be too exaggerated or too high. Some people place me higher than Chairman Mao, which is not good. I am very much afraid of that -- too high a reputation would be a burden for me. I hope you will see to it that both my retirement and my funeral are simple.

The third question is to whom I should hand over my posts when I retire. We must have a chairman for the Military Commissions. First of all, we should decide on a chairman for the Party's [Central] Military Commission, who will serve concurrently as chairman of the State Military Commission. The Party must keep control of the army, for the army has always been under its leadership. This could be clearly seen during the recent turmoil.

The army led by the Party is also, of course, the army of the state. When I resign at the Fifth Plenary Session of the Central Committee, we should have a new chairman for the Central Military Commission, and there should also be some changes in the State Military Commission. It has been our tradition that the army obeys the Party, that no small cliques are formed and that power is not concentrated in just a few hands. The army must always place itself at the disposal of the CPC Central Committee and the Party. Only those who listen to the Party should be elected leaders of the army. The army must not do anything under its own banner. I should like to propose that Comrade Jiang Zemin be appointed Chairman of the Central Military Commission.

In short, I'm not going to concern myself with the work of the Central Committee, except for extremely serious problems. In this way the new Central Committee, especially the Political Bureau and its Standing Committee, will be able to think independently and work on their own. All the comrades of the Standing Committee are present today. I hope you will create a good image domestically and internationally, an image of stability and unity, and be a model of stability and unity. Ours is a big country. As long as our leaders remain stable and firm, nobody will be able to do anything against China. China must have a leading collective with the image of people who favour the policies of reform and opening to the outside world. I hope you will pay special attention to this point. We cannot abandon those policies. If we stick to convention and do exactly what we did before, without trying new experiments and suffering some setbacks and failures, we shall never attain our strategic goals. We must really carry out reform and open to the outside -- we can't do it with our doors closed. In the next two to three years we should make thorough readjustments. We should correct our mistakes, such as inflation.

Recently I have been pleased with what's going on among the students: they are doing some serious rethinking, and that's very educational. They do have many problems, but it can be very educational for them to rethink what they did -- that's more important than reading any books. We should step up education in the [Four Cardinal Principles](#) and basic Marxist theories. If we do that for a few years, changes will take place in people's social conduct. If we try to straighten things out again on the literary and artistic front and persist in cleaning up the publications market according to the current plan, the situation will improve. Our objective is to help people to have high ideals and moral integrity, to be well educated and have a strong sense of discipline. In the 1950s Party members and the people as a whole had lofty ideals, were disciplined and committed to serving the people, and they loved the Party, the country and socialism. Weren't those excellent attitudes and morals? In the three hard years from 1959 through 1961, didn't the Party and the people struggle in unity and surmount the difficulties? How good our people were! We should restore and promote this tradition. Our army is good too. There are new young commanders now -- I don't know any of them personally, but the army has certainly maintained its good traditions.

If your leading body is going to succeed, it is essential for you to form a collective leadership. You must be a collective in which each member cooperates closely with the others, and a collective that thinks independently. You should be tolerant and generous with each other, help each other, complement each other's thinking and help correct each

other's mistakes and shortcomings. A good collective like that is very necessary right now, more so than ever before. This collective must have a core. We used to have Chairman Mao as the core. Over the past few years we have had the problems of replacing two leaders and of curbing inflation. Because we had a core, it was easy to solve those problems. Comrade Jiang Zemin should become the core of your collective. As for your method of work, I'd like to make a suggestion when major questions arise concerning policies and principles, all organizations, including the State Council and the National People's Congress, should have their leading Party cadres submit those questions to the Standing Committee of the Political Bureau for discussion. After decisions are made, they should be discussed and implemented by the organizations concerned.

Not long ago I proposed that the authority of the Central Committee be strengthened. Comrade [Chen Yun](#) has complained that there are too many local officials, that they only discuss problems without making decisions, or that if they do make decisions, instead of carrying them out, each one goes his own way. This is a correct criticism. It is bad that they don't listen to the Central Committee and the State Council. Especially when we run into difficulties, it would be impossible to overcome them if the Central Committee and the State Council had no authority. As long as we have the authority, we can accomplish important tasks even at difficult times. We should not deny the importance of authority and should centralize power wherever necessary. Otherwise, time will be wasted, at the least.

Cadres who don't obey the Central Committee and the State Council should be dealt with firmly. They may be warned in advance, but if they don't heed the warning, they and their superiors should be transferred. In the latter period of the "cultural revolution" [1966-1976], Chairman Mao shifted the commanders of the eight greater military regions from one region to another. He did so because he knew the art of leading the army, that is, not to allow any leading cadre to form a circle and have a sphere of influence. It is a tradition of the army to have its leaders transferred frequently. During the wars the army was divided into mountain strongholds. But because of our understanding of Marxism and our organizational sense of discipline as Communists, we did not form factions. Even so, the "mountain-stronghold mentality" had bad effects, and a special campaign was launched to combat it. Local cadres may present the same problem; when they have been in one place for too long, they should be transferred elsewhere.

So far as the international situation is concerned, there is a question of war. If the United States and the Soviet Union don't fight each other, there will be no world war, but small wars will be unavoidable. The current wars between underdeveloped countries are actually what the developed countries need. Their policy of bullying backward countries has not changed. China should hold its ground, or others will plot against us. There are many people in the world who hope we will develop, but there are also many who are out to get us. We ourselves should maintain vigilance. We should safeguard our reputation for acting independently, for keeping the initiative in our own hands and for refusing to be taken in by fallacies or to tremble in the face of danger. And under no circumstances should we show any weakness. The more afraid you are and the more weakness you

show, the more aggressive others will be. They will not be kind to you because you are weak. On the contrary, if you are weak, they will look down upon you. What are we afraid of? We are not afraid of war. We don't think there will be a world war, but even if there were, we would not be afraid. Anyone who dared invade China would never get out again. China has a wealth of experience in resisting foreign aggression. We would first defeat the invaders and then start reconstruction.

Another aspect of the international situation is the upheaval in some socialist countries. I think the upheavals in Eastern Europe and the Soviet Union were inevitable. It is hard to predict how far they will go; we still have to observe developments calmly. If, while these countries are in turmoil, China doubles its GNP in real terms for the second time, according to plan, that will be a success for socialism. If we have basically realized modernization by the middle of the next century, we shall have further reason to say that socialism has succeeded. Of course, we should not boast. The more developed we are, the more modest we should be. But if China holds its ground and attains its goals for development, that will demonstrate the superiority of socialism.

There is no doubt that the imperialists want socialist countries to change their nature. The problem now is not whether the banner of the Soviet Union will fall -- there is bound to be unrest there -- but whether the banner of China will fall. Therefore, the most important thing is that there should be no unrest in China and that we should continue to carry on genuine reform and to open wider to the outside. Without those policies, China would have no future. How did we achieve what we did over the past ten years? Through reform and opening to the outside. As long as we pursue those policies, and as long as our socialist banner stands firmly planted, China will have tremendous influence. Of course, that will put the developed countries all the more on guard against us. Notwithstanding, we should maintain friendly exchanges with them. We should keep them as friends but also have a clear understanding of what they are doing. We should not criticize or condemn other countries without good reason or go to extremes in our words and deeds.

That is what I think of the situation as a whole. The crucial thing for us is to avoid unrest. We have a solid foundation, a foundation laid during decades of fighting. We should pass this fighting spirit on to future generations for them to maintain, because it is our capital. What's going on in other countries is not our business, but we should make one thing clear: in China socialism will not change. China will surely follow to the end the socialist road it has chosen. No one will be able to overwhelm us. As long as China doesn't collapse, one fifth of the world's population will be upholding socialism. We are full of confidence that socialism has a bright future.

In short, my views about the international situation can be summed up in three sentences. First, we should observe the situation coolly. Second, we should hold our ground. Third, we should act calmly. Don't be impatient; it is no good to be impatient. We should be calm, calm and again calm, and quietly immerse ourselves in practical work to accomplish something -- something for China.

Will we be able to quadruple the GNP by the end of the century? I hope I shall be around at that time to see that it has been done. The second stage in our three-stage strategy is essential, because what is achieved then will serve as the foundation for the third stage. We should build some large projects to demonstrate our confidence. With stable policies of reform and opening to the outside world, China can have great hopes for the future.

(Excerpt from a talk with leading members of the CPC Central Committee.)

A LETTER TO THE POLITICAL BUREAU OF THE CENTRAL COMMITTEE OF THE COMMUNIST PARTY OF CHINA

September 4, 1989

The Political Bureau of the Central Committee:

I am asking the Central Committee for permission to resign my current post of Chairman of the Military Commission of the Central Committee of the Communist Party of China.

As early as 1980 I proposed that the leadership system of the Party and the government be reformed and that the system of life tenure in leading posts be abolished. In recent years many veteran comrades have left their posts in the central leadership. In 1987, before the Party's Thirteenth National Congress was held, to set an example for abolishing the system of life tenure in leading posts, I expressed my wish to retire. At the time, the Central Committee, having considered over and over again my wish and the opinions of both Party and non-Party people, agreed to my resigning the posts of member of the Standing Committee of the Political Bureau of the Central Committee, member of the Political Bureau, Chairman of the Central Advisory Commission, member of the Central Committee and member of the Central Advisory Commission. The Central Committee also decided that I should retain the posts of Chairman of the Military Commission of the Party and Chairman of the Military Commission of the state. Ever since then, when the central leading collective has sought my views on major issues, I have consistently respected and supported the opinions of the majority of the comrades in the collective. But I have insisted on not concerning myself with its day-to-day work, and I have been looking forward to being succeeded by younger people as soon as possible so that my wish to leave all leading posts may be fulfilled.

The core leadership headed by Comrade Jiang Zemin, which was elected at the [Fourth Plenary Session of the Thirteenth Central Committee of the Party](#), has been working very efficiently. After careful consideration, I should like to resign my current posts while I am still in good health, so as to realize my long-cherished wish. This will be good for the Party, the state and the army. I sincerely hope the Central Committee will grant my request. I shall also submit to the National People's Congress my request to resign the post of Chairman of the State Military Commission.

Since I am an old citizen and a veteran Party member who has worked for decades for the communist cause and for the independence, reunification, development and reform of the country, my life belongs to the Party and the country. After my retirement I shall continue to be devoted to their cause. The achievements scored by our Party, our country and our army are the result of the hard work of generations. As the reform and opening to the outside world have only just begun, our task is arduous and our road will be long and tortuous. But I am certain that we shall be able to surmount all difficulties and that one generation after another will advance the cause pioneered by the first generation. Since the Chinese people were able to stand up, they will surely be able to stand firm forever among the nations of the world.

Deng Xiaoping

**WE ARE CONFIDENT THAT WE CAN HANDLE CHINA'S AFFAIRS
WELL**

September 16, 1989

I'm still in good health and have a clear mind and a good memory. Recently I've begun to swim for an hour every day in the sea at Beidaihe. I don't like indoor pools; I like to swim in an expansive natural setting where you have a greater sense of freedom. I'm trying to get used to complete retirement. For decades I've been busy with my work. Although I have not concerned myself with many things recently, my mind remains active and keeps turning over problems.

Please believe me when I say that the principles and policies formulated during the reform and opening to the outside world over the past ten years will not change. The line set at [the Party's Thirteenth National Congress](#) will not change. Anyone who changed it would fall.

In the recent past we have had two General Secretaries who did not retain the post for long. That was not because they were not qualified when they were elected. It was right to elect them, but later on they made mistakes with regard to the fundamental issue, the issue of adhering to the [Four Cardinal Principles](#), so they stumbled and fell. Of the four principles, the two most important are that we should uphold leadership by the Party and that we should uphold socialism. The opposite of the four principles is bourgeois liberalization. In the last few years I have stressed on many occasions the need to uphold the Four Cardinal Principles and oppose bourgeois liberalization. But they didn't do that. During the recent disturbances Zhao Ziyang was exposed as being clearly on the side of those who were causing the trouble. He was actually trying to split the Party. Fortunately, I was still around and it was not difficult to deal with the matter. Of course, I was not the only one to play a role.

I have never believed in exaggerating the role of any one individual, because that is dangerous and makes it difficult for others to carry on. The stability of a country and a

party cannot be based merely on the prestige of one or two persons. That tends to create problems. It is therefore necessary to have a retirement system. I'm already 85 years old. For many years I have been proposing to retire. But every time I do, I meet opposition from everybody. At the Thirteenth National Congress of the Party, [I secured a partial retirement](#), retaining only the posts of Chairman of the Central Military Commission and Chairman of the State Military Commission. Some veteran comrades, such as [Peng Zhen](#), our older sister Deng [Yingchao], Marshal Xu [Xiangqian] and Marshal Nie [Rongzhen], have retired completely. I need the approval of the Central Committee to retire completely, and I'm working to obtain it. Recently the story circulated in Hong Kong that I had been assassinated or that I was seriously ill and that rumour caused fluctuations in the stock market there. This shows that it would be better for me to retire soon. I hope to do so in the near future. My chief desire is to retire completely, but if there are disturbances, I shall have to intervene.

I am certain that after the recent disturbances, China will be even more successful in its drive for modernization and in reform and opening to the outside world. They have taught us an important lesson. For many years some of our comrades, immersing themselves in specific affairs, have shown no concern for political developments and attached no importance to ideological work. They have not been sufficiently vigilant against corruption and have not taken effective measures to stop it. The fact that corruption has become such a serious problem is related to their failure to resolutely combat bourgeois liberalization. The disturbances have sobered us all. If we had not upheld the Four Cardinal Principles, the turmoil would not have been brought to an end. And if it had not been, how could we be talking here today? In putting down the counter-revolutionary rebellion, the People's Liberation Army made sacrifices. That was no easy thing, I can tell you. If the rebels had had their way, there would have been a civil war. If there had been a civil war, we would have won, but how many people would have died, and how many more would have grieved for them? That would have been a real disaster! We had no choice but to act decisively. In our efforts to quell the rebellion, our principle was to do everything possible not to harm the people, especially students. But if we had not taken resolute measures to put it down, the consequences would have been unimaginable.

The West really wants unrest in China. It wants turmoil not only in China but also in the Soviet Union and Eastern Europe. The United States and some other Western countries are trying to bring about a peaceful evolution towards capitalism in socialist countries. The United States has coined an expression: waging a world war without gunsmoke. We should be on guard against this. Capitalists want to defeat socialists in the long run. In the past they used weapons, atomic bombs and hydrogen bombs, but they were opposed by the peoples of the world. So now they are trying peaceful evolution. The affairs of other countries are not our business, but we have to look after our own. China will get nowhere if it does not build and uphold socialism. Without leadership by the Communist Party, without socialism and without the policies of reform and opening to the outside world, the country would be doomed. Without them, how could China have gotten where it is today?

The Chinese people will not easily give up the People's Republic that they founded after more than twenty years of bloody struggle. They will not easily give up the achievements in building socialism that they have scored through decades of hard work, and especially through the last ten years of reform and opening to the outside world. If those achievements were forfeited in favour of capitalism, the first problem would be how to feed the 1.1 billion people. And if they didn't have enough food, would the Chinese people accept that situation? It was in order to emancipate poor people that we made the revolution. Now it can be said that China has solved the problem of food and clothing. Of course, about 10 per cent of the people are still relatively poor, but they are not completely destitute. Generally speaking, they are better off than before, and the government and society are helping them shake off poverty. To sum up, we have our own responsibilities. We must take responsibility for one fifth of the world's population and develop the economy so that they will live better.

I'd like to focus on two points. First, the current situation in China is stable. After the disturbances are over, the new leading body will continue the policies of reform and opening to the outside world that have been followed over the past decade, maintain stability and unity and uphold the principle of "[one central task and two basic points](#)". Of course, there will surely be setbacks and mistakes in the course of development. But we believe that those who uphold this principle and these policies will succeed eventually.

Second, the Chinese people will not be intimidated. We don't want to offend other people; we only want to do solid work in our own country. Anyone who tries to interfere in our affairs and bully us will fail. The Chinese people have confidence in themselves; they would get nowhere if they felt themselves inferior. They felt inferior for more than a century, but now, under the leadership of the Communist Party, they have stood up. A great beast may be terrifying to some people, but not to the Chinese. We fought the War of Resistance Against Japan for eight years and the War to Resist U.S. Aggression and Aid Korea for three years. We have a tradition of defeating the enemy when we are outnumbered and weaker. There are some people who are frightened, such as [Fang Lizhi](#) and the like, so they do everything possible to harm their country. But there are not many people of that sort. I believe that when faced with foreign aggression and intimidation, our people will not be frightened, nor will future generations. I'd like to ask you to tell all Americans, whether they are friendly to us or not, that these are the two fundamental points of which they should be aware when they are assessing the situation in China.

Our gravest failure has been in education -- we did not provide enough education to young people, including students. We can curb inflation quickly, but it is much more difficult to make up for lost education. For many of those who participated in the demonstrations and hunger strikes it will take years, not just a couple of months, of education to change their thinking. The ones who took part in the hunger strikes and demonstrations and signed petitions are not to blame. Only those leaders who had ulterior motives and violated the law will be prosecuted. As for the students, including the hunger strikers, we shall deal with them chiefly through education. I hope you will tell the people you know, including those who demonstrated and signed petitions abroad, that China takes no offence at their actions and that they need not be worried.

Speaking of our failures, there have really been some. There is much ideological work that we haven't done and there are many things that we haven't explained clearly. Some people, Zhao Ziyang for example, supported those who created the disturbances. So we can't put the blame on others. We should soberly rethink what we have done in the past, look to the future, review our experience, draw the lessons from it and seriously address the problems we are faced with. By doing that, we can turn a bad thing to good account and profit from the incident. Most people, including the students, will gain a clearer understanding.

In short, one thing is certain: China will develop, the policies of reform and opening to the outside world will continue, the productive forces will go on growing at an appropriate rate and the standard of living will gradually rise on the basis of expanded production. For a period of time consumption was overheated. We have warned the people of the need to practise austerity for a few years. We must oppose corruption and promote clean government. We have to do this not just for a few days or months but throughout the whole process of reform and opening to the outside world. We are going to move forward at a steadier and faster pace. I strongly believe that.

(Excerpt from a talk with the Chinese-American physicist and Nobel Prize winner Professor Tsung-Dao Lee of Columbia University.)

NO ONE CAN SHAKE SOCIALIST CHINA

October 26, 1989

The relations between our two countries are a model of friendship between countries with different social systems. Recently I have said to foreign friends on many occasions that a new international economic order should be established, so as to settle the North-South question. A new international political order should also be established that would be in conformity with the new international economic order. I have especially recommended that the [Five Principles of Peaceful Coexistence](#), which we Asians put forward in the 1950s, be made norms governing the future international political order. It can be said that ever since our two countries established diplomatic relations in the 1970s, we have followed those principles to the letter.

There are no problems between our two countries. Or if there are, they are only the need to increase our cooperation and contacts, especially in economic development. Politically, we are working together for world peace and, first of all, for peace in Asia. No one can shake China's determination to build socialism. The socialism we are building is a socialism that is adapted to our own conditions, a socialism that helps to constantly develop the productive forces and that favours peace. Only by constantly developing the productive forces can a country gradually become strong and prosperous, with a rising standard of living. Only in a peaceful environment can we develop smoothly. China will safeguard its own interests, sovereignty and territorial integrity. It

also maintains that a socialist country should not infringe upon other countries' interests, sovereignty or territory.

The world used to be dominated by two superpowers. Now things have changed. Nevertheless, power politics is escalating, and a few Western developed countries wish to monopolize the world. This is something of which we are very aware. It can be seen from the [Paris summit of leaders of the Group of Seven](#). It was at that meeting that they decided to impose both economic and political sanctions on China, such as the ban on contacts between high-ranking officials. Will the sanctions have any effect? The decision-makers of both the United States and France have failed to understand at least two aspects of China. First, the People's Republic was established after 22 years of war. After its founding, it fought for three more years in the War to [Resist U.S. Aggression and Aid Korea](#). Without popular support, we would not have won those wars. Is it possible that a country like this will be brought down so easily? No, it is not. Neither people in China nor those in other countries, such as the superpowers and the rich countries, have the ability to bring China down. Second, the last country in the world to be afraid of isolation, blockade or sanctions is China. For several decades after the founding of the People's Republic, we were isolated and subjected to blockades and sanctions. But in the final analysis, that did not do us much damage. Why? Because China is so huge and so populous, and the Communist Party and the people have such high aspirations. In addition, foreign aggression and threats arouse the Chinese people's sense of unity, their patriotism and their love for socialism and the Communist Party and only make us clearer in our thinking.

So we think it is not wise for foreigners to resort to aggression and threats; that only works to our advantage. Facts show that those who have imposed sanctions on us have begun to rethink what they have done. In short, the Chinese people are not afraid of isolation and will not be bullied. No matter what changes take place in the international situation, China will be able to hold its ground. I think this is the true way to understand China.

(Excerpt from a talk with Prime Minister Chatichai Choonhavan of Thailand.)

**THE UNITED STATES SHOULD TAKE THE INITIATIVE IN
PUTTING AN END TO THE STRAINS IN SINO-AMERICAN
RELATIONS**

October 31, 1989

You are visiting China at a time when relations between China and the United States are strained.

The relations between our two countries were hostile for 23 years, from the founding of the People's Republic of China in 1949 to 1972. It was not until you served as President of the United States that [this situation began to change](#). I appreciate very much your view

that, in determining relations between two countries, each party should proceed from his country's own strategic interests. I too think that each country should proceed from its own long-term strategic interests, and at the same time respect the interests of the other. Each country, whether it is big or small, strong or weak, should respect others as equals, giving no thought to old scores or to differences in social systems and ideologies. In this way all problems can be properly solved. But it takes courage to use this approach. So you were not only wise but courageous to visit China in 1972. I know that you are an anti-Communist, while I am a Communist. Nevertheless, in studying and handling problems, both of us place the highest importance on the national interest. In dealing with a major question like this, both of us are realistic, broad-minded and respectful of each other.

When trying to improve relations with the Soviet Union and the East European countries, which had been strained for several decades, we always said the most important thing was to put the past behind us and open up a new era. Now perhaps we can say that, by the same token, China and the United States should put behind them the strained relations of the last few months and open up a new era. Frankly, the recent disturbances and the counter-revolutionary rebellion that took place in Beijing were fanned by international anti-communism and anti-socialism. It's a pity that the United States was so deeply involved in this matter and that it keeps denouncing China; actually China is the victim. China has done nothing to harm the United States. Each country can have its own views of this event, but you cannot ask us to accept incorrect criticism from others. The American public got its information from the Voice of America and from American newspapers and periodicals, which reported that blood was flowing like a river in Tian'anmen Square and that tens of thousands of people had died. They even gave the exact number of casualties. The Voice of America has gone too far. The people working for it tell lies; they are completely dishonest. If the American leaders determine their state policies on the basis of information provided by the Voice of America, they will be in trouble.

We have forgiven the students, including the ones overseas, who participated in demonstrations and signed petitions. No action will be taken against them. As for the handful of people with unbridled ambitions who tried to overturn the Government of the People's Republic of China, we shall punish them to varying degrees as necessary. We cannot tolerate turmoil, and whenever it arises in future we shall impose martial law. This will do no harm to anyone or to any country. It is our internal affair. The purpose of imposing martial law is to maintain stability; only with stability can we carry on economic development. The reason is very simple. In China, which has a huge population and a poor economic foundation, nothing can be accomplished without good public order, political stability and unity. Stability is of overriding importance.

I am not saying that governments of Western countries are trying to overthrow the socialist system in China. But at least some Westerners are trying to. This can only arouse the resentment of the Chinese people and make them work harder for the prosperity of their country. People who value human rights should not forget the rights of the state. When they talk about human dignity, they should not forget national dignity. In

particular, if the developing countries of the Third World, like China, have no national self-respect and do not cherish their independence, they will not enjoy that independence for long.

I should like you to tell President Bush that the United States should take the initiative in putting the past behind us, because only your country can do that. The United States can take some initiative, but it's not possible for China to do so, because the U.S. is strong and China is weak, China is the victim. Don't ever expect China to beg the United States to lift the sanctions. If they lasted a hundred years, the Chinese would not do that. If China had no self-respect, it could not maintain its independence for long and would lose its national dignity. Too much is at stake. If any Chinese leader made a mistake in this regard, the Chinese people would never forgive him, and he would surely fall. I'm telling you the truth.

In handling relations between countries, we should follow the principle of noninterference in each other's internal affairs. The People's Republic of China will never allow any country to interfere in its internal affairs. Foreign interference could create difficulties and even turmoil in our country for a time, but it can never shake our People's Republic, because under the leadership of the Communist Party the life of the Chinese people has been improving day by day, especially in the last ten years. The improvement is genuine, not a sham. Our people support the reform and the open policy, and they see a bright future for China.

I can assure you that no one can stop China's reform and opening to the outside world. Why? For the simple reason that without those policies we could not continue to make progress and our economy would go downhill. If we returned to the ways of the past, living standards would decline. So no one can alter the trend of reform. Whether I'm alive and at my present post or not, the policies and principles formulated under my guidance over the last decade will not be changed. I am convinced that my colleagues will not change them.

Some people say that we are reforming only our economic structure and not our political structure. That is not true. But we can reform our political structure only on condition that we adhere to the [Four Cardinal Principles](#). We can't build anything if the country is in disorder; for economic development we need stability. If people are busy staging demonstrations today and airing their views or writing big-character posters tomorrow, they cannot concentrate on economic construction.

Sino-U.S. relations have a good foundation; the two countries can help each other develop their economies and defend their economic interests. The Chinese market is by no means fully developed yet, and the United States can take advantage of it in many ways. We shall be happy to have American merchants continue doing business with China. That could be an important way of putting the past behind us.

(Excerpt from a talk with former President Richard Nixon of the United States.)

**SPEECH TO COMRADES WHO HAD ATTENDED
AN ENLARGED MEETING OF THE MILITARY
COMMISSION OF THE CENTRAL
COMMITTEE OF THE COMMUNIST PARTY
OF CHINA**

November 12, 1989

I have spoken a great deal recently, and I have no more to say. Nevertheless, at this time when I'm going to retire from my leading post in the Military Commission, I think I should talk with you a little. What I have to say is very brief.

I am convinced that our army will be able to steadfastly maintain its own character, that is, that it will continue to belong to the Party, the people and our socialist country. In this respect our army is different from the armies of other countries, including other socialist countries, because our experience has been different from theirs. Our army should always be loyal to our Party, to the people, to our country and to socialism. I am certain that it will remain so and that, having been tested for several decades, it will be able to do its duty.

One more thing I want to tell you is that the Chairman of the Military Commission has been replaced. The Party has decided to place Comrade Jiang Zemin at the core of its Central Committee. I think that is a good choice. Comrade Jiang Zemin is well qualified to be Chairman of the Military Commission because he is well qualified to be General Secretary of the Party. I hope that, under the leadership of the Central Committee with Comrade Jiang Zemin at the core, and of the Military Commission with Comrade Jiang Zemin as Chairman, you will do still better in strengthening the army. Thus, it will be able to make greater contributions to safeguarding the independence and sovereignty of the state, defending the cause of socialism and upholding the line, principles and policies formulated by the Party since the Third Plenary Session of the Eleventh Central Committee.

Although I have left the army and retired from all my posts, I shall always be concerned for the cause of our Party and our country and to the future of our army.

Thank you.

**A REVIEW OF THE HISTORY OF THE SECOND
FIELD ARMY**

November 20, 1989

We veterans haven't had a chance to get together for many years. Let's take this opportunity to have a chat today.

Looking back to the war years, I should say that our [Second Field Army](#) accomplished its tasks fairly well at every stage. That is my overall appraisal.

Throughout the War of Liberation the Second Field Army stood in the forefront of the struggle against the enemy. At first we were in the Shanxi-Hebei-Shandong-Henan area. As Comrade [Liu Bocheng](#) put it, this was the gateway to the North China Liberated Area, and it was through this gateway that the enemy had to launch his attack. Just as we had expected, while Chairman Mao was holding peace negotiations with the Kuomintang in Chongqing, the enemy came in two columns. One column was led by [Yan Xishan](#), and against it we fought the [Shangdang Campaign](#). The other column was led by [Ma Fawu](#) and [Gao Shuxun](#), and against it we fought the [Ping-Han Campaign](#).

Earlier, during the War of Resistance Against Japan, we had also stood at the gateway. At that time our forces were the predecessors of the Second Field Army. The Kuomintang had engaged our troops in skirmishes in all the major liberated areas, especially in the Shanxi-Hebei-Shandong-Henan area. After the victory over Japan, their first attack on the liberated areas was unleashed at this same gateway, but we did not have many troops to guard it. Yan Xishan had more than 38,000 troops with which to attack the Shangdang area, while we had only a little over 30,000. Organizationally, we did not even have a complete, fully staffed regiment, and our soldiers were poorly equipped and had only a small amount of ammunition. You might say that they were only a formation of guerrilla forces.

Besides, there were no generals available to command the battle that was about to begin. Only [Li Da](#) was at the front, while many other generals were away attending a meeting in Yan'an. We flew back to the Taihang area in a transport plane of the U.S. Army Observation Group based in Yan'an. Aboard that plane were Bocheng and I, [Chen Xilian](#), [Chen Zaidao](#), [Chen Geng](#) and others. ([Song Renqiong](#) was in southern Hebei at the time.) When we arrived, the battle was already raging. As soon as we alighted from the plane, we hurried to the front. Under those circumstances it was not easy to annihilate all of Yan Xishan's attacking troops. I should say we did more than was expected of us.

That was followed by the Ping-Han Campaign. The attack was launched by three corps under Ma Fawu and Gao Shuxun, two deputy commanders of the Kuomintang's 11th War Zone, and a local Hebei army column of the Kuomintang under Qiao Mingli. Both the 40th and 30th corps under Ma Fawu were strong. The New 8th Corps under Gao Shuxun also had high combat effectiveness. In Matou Town Xilian and his troops fought them tooth and nail at the cost of hundreds of casualties. We encountered more difficulties in the Ping-Han Campaign than we had in the Shangdang Campaign. After the Shangdang Campaign we received some supplies of ammunition and better equipment, but we remained a collection of guerrillas. We fought the Ping-Han Campaign in a state of utter exhaustion. The enemy began to attack us before all of our units had reached their positions. On the telephone I told [Su Zhenhua](#) to hold out at the front for five days until

the follow-up units reached the designated places. Su's 1st Column blocked the enemy's advance, making it possible for the follow-up units to get to their positions on time.

I should say that the Ping-Han Campaign was mainly a successful political battle, because we persuaded Gao Shuxun to revolt and cross over to our side. If we had fought fire with fire, we would have suffered a great many casualties. I have always felt sorry that we are not fair to Gao Shuxun afterwards. He made no small contribution. If he had not revolted, the enemy would not have collapsed so utterly. They could not have won, but they would have been able to retreat; at least their main force could have escaped. Thanks to Gao's revolt, we wiped out two of Ma Fawu's corps, and only 3,000 men escaped.

We invested much capital in this political battle. Gao Shuxun had had ties with us when he was under the command of [Tang Enbo](#). As we had maintained ties with him for a long time, we sent our chief of staff Li Da in person to Gao's headquarters in Matou, to persuade him to revolt. Many of you probably don't know anything about this episode. Li Da was accompanied by [Wang Dingnan](#), our liaison officer, whom I met many times. We were sure that Gao Shuxun was inclined to revolt, but he was still hesitating. At the moment the Kuomintang was trying to eliminate its Northwest Army, to which Gao's New 8th Corps belonged. That was a problem. When Li Da and Wang Dingnan got to Matou, they found all the motor vehicles and horse-drawn carriages facing south, ready to beat a retreat. As soon as they met with Gao, they reached an agreement: he decided to revolt, and next day he prepared to lead his troops to the liberated area in the Northwest. The day after that, Bocheng called on him in Matou. Thrown into a panic, Ma Fawu ordered his two corps to withdraw south. Consequently, we were able to intercept them in the South, on the north bank of the Zhanghe River, winning another battle.

So during the War of Resistance Against Japan there had been skirmishes between us and the KMT troops in all the liberated areas across the country, but especially in the Shanxi-Hebei-Shandong-Henan area. It was also in this area that after we won the war against Japan, [Chiang Kai-shek](#) launched his initial attacks on us. It was only after the fighting started that we began to form the Second Field Army, consisting of a few columns. After the Shangdang Campaign, we organized four columns. Deployed from east to west, they were the 1st Column, led by [Yang Dezhi](#) and Su Zhenhua in the Hebei-Shandong-Henan area; the 2nd Column, led by Chen Zaidao and Song Renqiong in southern Hebei; the 3rd Column, led by Chen Xilian and [Peng Tao](#) in the Taihang area; and the 4th Column, led by Chen Geng and [Xie Fuzhi](#) in the Taiyue area. Later we established the 6th and 7th columns.

In the first year of the War of Liberation we reached the target figure set by the Central Military Commission for enemy troops to be annihilated. Three months after the war started, Chairman Mao had said that if we could wipe out a total of eight Kuomintang brigades a month on all the fronts across the country, we were sure to win. Just as he hoped, in the first year we wiped out 97 and a half brigades, slightly exceeding the target. The Second Field Army fulfilled the quota allotted to it for its area and probably did slightly better. As that task had been accomplished on all fronts, we were able to start the

strategic counteroffensive one or two years ahead of schedule. When the War of Liberation had begun, a counteroffensive had not been put on the agenda, because we were uncertain of the timing. But after fighting for a year, from July 1946 to July 1947, we confidently decided to launch a counteroffensive. One reason was that in the first year of battle we had wiped out nearly a hundred enemy brigades and improved our military equipment accordingly. Another reason was that the objective situation compelled us to start the counteroffensive at an early date.

At that time the Kuomintang was attacking key sectors in Shandong and Yan'an, which were like the two ends of a carrying pole. Our Shanxi-Hebei-Shandong-Henan area lay in between, at the centre of the pole, where the porter shoulders it. Accordingly, we employed what Comrade Bocheng called the "carrying-pole strategy". It was our task to draw the enemy troops from both ends towards the centre, in a counteroffensive that carried out the strategic intentions of the Central Military Commission and Chairman Mao. First, we crossed the Yellow River and annihilated four division headquarters and nine and a half brigades of the enemy at one stroke. This initial victory displayed the terrific momentum of our counteroffensive. Crossing the Yellow River was actually the beginning of the counteroffensive.

But how deep should we penetrate into the enemy-controlled areas? The annihilation of nine and a half enemy brigades was merely a show of strength. What action should we take next? That was more important. We sent a telegram to the Military Commission saying that we could take advantage of the favourable situation to wipe out more enemy troops in the Shanxi-Hebei-Shandong-Henan area and to draw more of them and pin them down. The situation was very good. Chairman Mao sent a highly confidential telegram to Bocheng and me saying that things in northern Shaanxi were "very difficult". We immediately wired back to say that in two weeks we would take action, leaping directly into the enemy's rear in the Dabie Mountains and later moving out again.

In fact, we were on the march in less than ten days. We had to operate without a rear area to fall back on. You can imagine how difficult it was! Conditions in the South were hard for the Northerners. Shortly after we crossed the Huaihe River, many of them suffered from diarrhoea. The Huaihe is the actual demarcation line between northern and southern China. The "South" refers to the area south of the Huaihe, not south of the Yangtze. South of the Huaihe the terrain was mountainous, and the people grew rice. That was the way of life in the South. But we had not anticipated all the difficulties; we only knew that Northerners would be unaccustomed to certain things in the South. After we crossed the Huaihe River, we came to realize that some Southerners, like those from Hubei, Henan and Anhui, were not used to things in the South either, since they had been in the North for many years.

The decision to make the 500-kilometre march south was very daring; it shows how brilliant Chairman Mao's strategy was. This task fell to the Second Field Army. It was the most difficult in the entire War of Liberation. I don't mean that it was so difficult to wipe out nine and a half enemy brigades. The difficult thing was to keep advancing for five hundred kilometres in defiance of all sorts of hardships. That was the heavy load we

shouldered. It was really hard to cross the areas that had been flooded by the Yellow River. Since we were unable to carry our heavy weapons, we had to leave them behind. That's why the Second Field Army did not have much artillery when it took part in the [Huai-Hai Campaign](#). When we were going to cross the Huaihe, God helped us. The river had sunk so low that at that moment we could wade across. Nobody had ever known that one could walk across the Huaihe. Just when we arrived, the waters, which had been rising, suddenly fell. Bocheng himself walked into the river, proving that we could wade across. So things became much easier for us. Otherwise, we would have taken casualties, and even if we had managed to cross the Huihe, our subsequent struggle would have been harder. We faced a grim and perilous situation, but I should say that on the whole, we accomplished the shift to strategic counteroffensive quite smoothly, moving rapidly into the Dabie Mountains.

The success of our struggle in the Dabie Mountains was mainly due to our correct policies, including our military policy. This last was to establish military areas and sub-areas and to station one third of the units of our Field Army there. This was because our success or failure would be determined not by how many enemy troops we could eliminate but by whether we could hold our ground. That was Chairman Mao's strategic decision. What would victory mean? Not that we had wiped out a certain number of enemy troops. Of course, we should try to eliminate the enemy; we should try hard to fight several battles of annihilation. In this connection, we did not fulfil our task well, and the number of enemy troops we annihilated was not great. Aside from the local peace preservation corps, we only wiped out a few enemy brigades. But the key question was whether we could hold our ground. Victory would mean that we were able to hold the territory we won. And we did that. We marched five hundred kilometres until we reached the banks of the Yangtze, with Wuhan, Nanjing and Shanghai before us. The areas we had liberated had a population of 45 million. That was a true victory. That was the significance of our 500-kilometre march.

The Dabie Mountains did not allow much room for strategic manoeuvre and could hardly accommodate large numbers of troops. We felt particularly constrained there because we had been accustomed to operating on the plains, where we could disperse or concentrate large numbers of troops. After we divided our troops and established military areas and sub-areas, our main force shifted gradually towards the North. Incidentally, some comrades were eager to fight a few battles of annihilation. We held a meeting at which I said we should avoid all battles. That was because we could not afford to lose one, or our situation would be hopeless.

Later Bocheng and I were separated. Bocheng led the 1st Column, the headquarters staff of the Field Army and the detachment directly under the headquarters out of the mountains to the area north of the Huaihe River, where he exercised overall command of the Field Army. The 10th and 12th columns under [Wang Hongkun](#) and [Zhang Caiqian](#), which had marched south towards the Dabie Mountains as follow-up units, were not in the mountains either. They were spreading out in the areas of Tongbai and Jiangnan. [Li] Xiannian, Li Da and I kept a frontline command post in the mountains, which consisted of perhaps several hundred men*--¥anyway, less than a thousand. We commanded some

other columns too. Our principle was to avoid battle and do everything possible to gain a firm foothold. The 6th Column undertook many more tasks than the others, shuttling back and forth in the mountains. Now it moved from west to east, now from east to west. Today it made one trip and tomorrow another. Nobody can recall how many trips it made. All this was intended to keep the enemy on the move and confuse him. The other units, scattered appropriately, stayed relatively quiet and avoided confrontations with the enemy. After two months of this, we reported to the Central Military Commission and Chairman Mao that we had obtained a firm foothold in the Dabie Mountains and accomplished our strategic task. Our main force withdrew north, preparing to fight major battles. The major battles were to be fought there.

Our victory in the Dabie Mountains was mainly due to our accurate assessment of the situation and our correct handling of certain problems. We accomplished our strategic task without too much trouble and without too many casualties. We overcame all sorts of hardships, got a firm foothold and extended the battle line from the Yellow River to the Yangtze. That's why I say that the Second Field Army shouldered a heavy load in the strategic counteroffensive, or as I like to say, we passed the test. The Second Field Army was weakened by the struggle in the Dabie Mountains. Only the 9th Column under [Qin Jiwei](#) maintained its full strength. The other four columns, the main body of the army, was now undermanned and found it hard to get recruits. Of the four columns, three had merely two brigades apiece, and only one had three brigades. It was with these units that we joined in the Huai-Hai Campaign

When we prepared to join in the Huai-Hai Campaign, the general situation was excellent. Victories had been won in the Northeast theatre, which greatly encouraged the whole nation. We had also gained a firm foothold in the Northwest. The main forces of the Central Plains, Shanxi-Hebei-Shandong-Henan and East China Field Armies that were operating in the area of the Central Plains stood like the three legs of a tripod. The Huai-Hai Campaign was a joint operation of the Second Field Army and the [Third Field Army](#). As Chairman Mao said, the joint operation of the two armies meant not just a two- or three-fold increase of strength, a quantitative change, but a qualitative change. For the Huai-Hai Campaign, the Central Committee formed a General Front Committee of five members. Three of us were appointed to a Standing Committee, of which I was the Secretary. Chairman Mao said to me, "I give you the power of command." Chairman Mao himself gave me that power. It was I who was responsible for making the policy decisions and the plans for the Huai-Hai Campaign, in accordance with instructions from the Central Military Commission and Chairman Mao. During the campaign in which we crossed the Yangtze, after our troops broke through the enemy's defence line along the river, my command post was in the headquarters of the Third Field Army, and Zhang Zhen was the chief of staff. I drew up the plan for that campaign too, which was also known as the Nanjing-Shanghai-Hangzhou Campaign. Before that, of course, we fought a few skirmishes. We never let pass a chance of winning a victory; we did everything we should have done. Later we moved out of the Dabie Mountains and reached western Henan, where we established the enlarged Central Plains Bureau and the Central Plains Military Command.

The Second Field Army was a tightly knit unit, and there was excellent coordination between the higher and lower officers, between the columns and even at the grass-roots level. You may have noticed that from the beginning of the war, every operation was commanded by the heads of the columns, not by Bocheng and me. The Yangshanji battle was commanded by Chen Zaidao. Quite a few battles were commanded by Chen Xilian. Some of the battles at Shuangduiji were commanded by [Wang Jinshan](#) and [Du Yide](#) and some by Chen Geng, [Yang Yong](#) and Su Zhenhua. We never found that our subordinates made any mistakes, and we never had to correct the tactics of any column leader. If we had any different opinions about the way they were commanding an operation or discovered something that could be done better, we would contact them on the telephone. This practice greatly enhanced mutual trust between the higher and lower officers and increased the combat effectiveness of our troops. It also helped stimulate the initiative of the commanders, or in philosophical terms, helped them display their subjective initiative. The leaders trusted their subordinates and vice versa. We had relations of unity and mutual trust from the very beginning of our operations, and those relations gave us immense strength. It was mainly thanks to them that the Second Field Army grew into such a formidable combat force.

No major battles were fought after the Huai-Hai Campaign. After we crossed the Yangtze, no battles could be considered big except for the one fought by the Third Field Army in and around Shanghai. While marching into the Southwest, we fought just one easy battle against [Hu Zongnan](#), and we did not have to fight much against [Song Xilian](#). But we fought a real battle and won a brilliant victory in suppressing the bandits. After we reached the Southwest, the Southwest Bureau summed up the tasks for 1950 in the following figures: 900,000, 900,000, 60 million and 600,000. The first 900,000 referred to the number of Kuomintang officers and men who had revolted, surrendered or been captured. We had to solve the big problem of absorbing them, making arrangements for them and remoulding them through education. The second 900,000 referred to the bandits we had to wipe out. We accomplished that without too much trouble. In general, it was very difficult to fight bandits, but we fought so bravely that we struck fear into their hearts. The 60 million referred to the working masses, who accounted for 90 per cent of the population in the Southwest. We had to arouse them to carry out land reform and emancipate themselves. The 600,000 referred to our own officers and men. We had to help them develop their abilities so that they could undertake new and heavy assignments. All of these four tasks were fulfilled satisfactorily. In the meantime, the 18th Army, which had once been a unit under the Shanxi-Hebei-Shandong-Henan Military Command, was incorporated into the Second Field Army.

That's the history of the Second Field Army. We shouldered heavy loads and fulfilled our tasks, living up to the expectations of the Party and the people. We suffered great hardships, but we surmounted all our difficulties. I can say that throughout all the battles, there was no unit that failed to do what was expected of it. All the units -- even new ones -- were able to carry out difficult tasks. All the units performed very well. That's all I have to say. I have been talking about the past; it is worth remembering.

(A talk with veteran comrades writing the history of the wars fought by the Second Field Army.)

WE MUST ADHERE TO SOCIALISM AND PREVENT PEACEFUL EVOLUTION TOWARDS CAPITALISM

November 23, 1989

The liberation and development of Africa cannot be accomplished in just a few years. The world is so full of colonialism, neocolonialism, hegemony and power politics! It is more difficult than it used to be for small, poor countries, so they have to struggle even harder.

The United States and the Soviet Union have held talks that showed an encouraging tendency towards disarmament. We are happy to see this. 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 the countries of the South and the Third World, and the other against socialism. The Western countries are staging a third world war without gunsmoke. By that I mean they want to bring about the peaceful evolution of socialist countries towards capitalism.

We are not surprised at the developments in Eastern Europe. These changes were bound to take place sooner or later. The trouble there started from inside. The Western countries have the same attitude towards China as towards the East European countries. They are unhappy that China adheres to socialism. The turmoil that arose in China this year also [had to come about sooner or later](#). We ourselves were partly to blame. As you know, two of our General Secretaries fell because of their failure to deal with the problem of bourgeois liberalization. If China allowed bourgeois liberalization, there would inevitably be turmoil. We would accomplish nothing, and our principles, policies, line and three-stage development strategy would all be doomed to failure. Therefore, we must take resolute measures to stop any unrest. Whenever there is unrest in future, we must stop it, so as to maintain stability.

Western countries criticize us for violating human rights. As a matter of fact, they are the ones who have violated human rights. How many Chinese people were killed or wounded when the United States helped [Chiang Kai-shek](#) fight the civil war? And how many Chinese volunteers were killed or wounded when it supported South Korea in the [Korean War](#)? And that's not counting the immeasurable losses inflicted on our people during a century of aggression by colonialists and imperialists, including the United States! So they have no right to talk about human rights.

We used to say that the United States and the Soviet Union were seeking hegemony. Now at their summit meeting [the Group of Seven have been seeking hegemony and playing power politics too](#). After we put down the rebellion, the Group of Seven summit meeting issued a declaration imposing sanctions on China. What qualifies them to do that? Who

granted them the authority? Actually, national sovereignty is far more important than human rights, but they often infringe upon the sovereignty of poor, weak

countries of the Third World. Their talk about human rights, freedom and democracy is only designed to safeguard the interests of the strong, rich countries, which take advantage of their strength to bully weak countries, and which pursue hegemony and practise power politics. We never listen to such stuff. Nor do you. Even in the past when we were quite weak, we ignored them.

When we started fighting in the Jinggang Mountains, we had only a few thousand men. Through 22 years of incessant war we eventually defeated the imperialists and the forces they supported, and the Chinese people stood up. After the founding of the People's Republic of China, we also encountered enormous difficulties. The civil war had just ended, problems were piling up at home, and abroad we were fighting a war to resist U.S. aggression and aid Korea. Actually, it was China and the United States who fought that war. The United States was a big power, and China was comparatively weak, especially in equipment. However, justice triumphed, and the United States had to sit down and hold talks with us in Panmunjom.

China's determination to adhere to socialism will not change. At the [Thirteenth National Party Congress](#) we decided on the strategy of "[one central task, two basic points](#)". We had put forward that idea ten years ago, but it was at the Thirteenth Party Congress that we summed it up in this phrase. We shall never deviate from this strategy. No threat can daunt us. Our Party was born amid threats and matured amid threats. It struggled for 28 years before it founded the People's Republic. Anyway, things are much better than before. So long as socialism does not collapse in China, it will always hold its ground in the world.

(A talk with Julius Kambarage Nyerere, former President of Tanzania, Chairman of the Tanzanian Revolutionary Party and Chairman of the South Commission.)

FIRST PRIORITY SHOULD ALWAYS BE GIVEN TO NATIONAL SOVEREIGNTY AND SECURITY

December 1, 1989

Just as international monopoly capitalists are imposing sanctions on China, you come to visit us with a large delegation. That is an expression of true friendship. In China we have an old saying: A friend in need is a friend indeed. Although we cannot say that we are really in need, we appreciate your showing your friendship by visiting us at this time. We do not feel isolated, since the number of people who offer us sympathy and support far exceeds the number of those who impose sanctions on us.

The national leadership of our country has been shifted to members of a new generation, and it is now they who are dealing with state affairs. Reviewing the past five months

when they have been exercising overall leadership, we can see that my retirement has brought no change in China's strategy for development or in its principles and policies. The leaders of this Central Committee and of succeeding Central Committees will continue to uphold the line, principles and policies that have been formulated since the [Third Plenary Session of the Eleventh Central Committee](#). Why is it that these principles and policies cannot be changed? Because the practice of the last ten years has proved them correct. If we gave up the policies of reform and opening to the outside world, that would be tantamount to abandoning our fundamental development strategy.

Although we had made some mistakes in our work, the international climate was also partly responsible for [the recent incident](#). Western countries, particularly the United States, set all their propaganda machines in motion to fan the flames, to encourage and support the so-called democrats or opposition in China, who were in fact the scum of the Chinese nation. That is how the turmoil came about. In inciting unrest in many countries, they are actually playing power politics and seeking hegemony. They are trying to bring into their sphere of influence countries that heretofore they have not been able to control. Once this point is made clear, it will help us understand the nature of the problem and learn from experience.

This turmoil has been a lesson to us. We are more keenly aware that first priority should always be given to national sovereignty and security. Some Western countries, on the pretext that China has an unsatisfactory human rights record and an irrational and illegitimate socialist system, attempt to jeopardise our national sovereignty. Countries that play power politics are not qualified to talk about human rights. How many people's human rights have they violated throughout the world! Since the [Opium War](#), when they began to invade China, how many Chinese people's human rights have they violated! The Group of [Seven summit meeting held in Paris](#) adopted a resolution imposing sanctions on China, which meant they thought they had supreme authority and could impose sanctions on any country and people not obedient to their wishes. They are not the United Nations. And even the resolutions of the United Nations have to be approved by a majority before they come into force. What grounds have they for interfering in the internal affairs of China? Who gave them power to do that? The Chinese people will never accept any action that violates the norms of international relations, and they will never yield to outside pressure.

This turmoil has also made us more aware of the importance of stability. [When Nixon and Kissinger came to visit China not long ago](#), I told them that if China wanted to shake off poverty and modernize, stability was crucial. Actually I had said the same thing to other Americans before this incident. We can accomplish nothing without a stable environment. So we had to quell the turmoil by imposing martial law. If factors that might cause unrest emerge in future, we shall take tough measures to eliminate them as quickly as possible, so as to protect our country from any external interference and to secure our national sovereignty.

We have also drawn another lesson: that we must quickly correct the mistakes we made in certain areas. Ideological education should be strengthened. We still have to work

hard. But in recent years we haven't talked enough about the need to work hard, and we haven't even done it ourselves. We haven't said much either about the need to rely chiefly on ourselves. And we have to readjust the economic order to ensure more rapid development.

Although I have retired, I am still concerned about the development of Sino-Japanese relations. After all, our two countries are close neighbours, and I have always cherished a special feeling for the friendship between us. Even during the years when Japanese militarists were waging a war of aggression against China, many Japanese opposed the war. When we evaluate history, we should take all the elements into consideration. We should remember that Japan invaded China, but we should also remember that many Japanese people, including public figures, have worked hard to promote friendship between our two countries. Indeed, there have been a great many of them! Surely not everyone will be pleased that so large a delegation as yours has come to China. However, you have demonstrated by your courageous action that the Japanese people, like the Chinese people, hope that China and Japan will be friends from generation to generation. The only way to answer those few people who are unhappy to see China and Japan on good terms is to increasingly strengthen our friendship and expand our cooperation.

(Excerpt from a talk with Sakurachi Yoshio and other leading members of a delegation from the Japanese Association for the Promotion of International Trade.)

SINO-U.S. RELATIONS MUST BE IMPROVED

December 10, 1989

Your visit to China at this time is very important. Although there are various disputes, problems and differences between China and the United States, relations between the two countries must eventually be improved. That is required for world peace and stability. It is our common wish to solve as quickly as possible the problems that have arisen between us since June, so that new progress can be made in our relations.

I have retired, and this interview is no longer part of my duties. However, you are the special envoy of my friend President Bush, and it is only reasonable that I should meet you.

China is of special international importance; what happens here can affect world stability and security. If there were disturbances in China, that would be a big problem that could have repercussions elsewhere. It would be a misfortune not only for China but also for the United States.

China cannot be a threat to the United States, and the United States should not consider China as a threatening rival. We have never done anything to harm the United States. In the 17 years since 1972, the general situation in the world has been relatively stable. One important reason for this is that Sino-U.S. relations have developed. China and the United

States should not fight each other -- I'm not talking just about a real war but also about a war of words. We should not encourage that. As I have said on many occasions, China cannot copy the system of the United States. It is up to the Americans to say whether their system is good or bad, and we do not interfere.

In relations between two countries, each side should respect the other and consider the other's interests as much as possible. That is the way to settle disputes. Nothing will be accomplished if each country considers only its own interests. But if both sides make concessions, they can reach a good settlement acceptable to both. It will require efforts by both China and the United States to restore good relations. This must not be put off too long, or it would be damaging for both sides.

I hope that as special envoy you will tell President Bush that there is a retired old man in China who is concerned about the improvement of Sino-U.S. relations.

(Excerpt from a talk with Brent Scowcroft, special envoy of President George Bush of the United States and Assistant to the President for National Security Affairs.)

**THE BASIC LAW OF THE HONG KONG SPECIAL
ADMINISTRATIVE
REGION IS OF HISTORIC AND INTERNATIONAL SIGNIFICANCE**
February 17, 1990

After almost five years of hard work, you have produced a law that is of historic and international significance. By historic I mean it is significant not only for the past and the present but also for the future. By international and far-reaching I mean it is significant not only for the Third World but for all mankind. This document is a creative masterpiece. I wish to express my thanks to you for your hard work and my congratulations on its completion.

(Impromptu remarks to members of the Drafting Committee for the Basic Law of the Hong Kong Special Administrative Region who were attending its Ninth Plenary Meeting. The Basic Law was adopted at the Third Session of the Seventh National People's Congress on April 4, 1990, and will go into effect on July 1, 1997.)

THE INTERNATIONAL SITUATION AND ECONOMIC PROBLEMS
March 3, 1990

How are we to view the changes in the international situation? Has the old world pattern come to an end and a new one taken shape? There are various opinions on this question both at home and abroad. It seems to me that many of the views we have formed about international issues are still valid. Actually, the old pattern is changing but has not come

to an end, and the new one is yet to take shape. As for the two great issues of peace and development, the first has not yet been resolved, and the second is even more pressing than before.

The situation in which the United States and the Soviet Union dominated all international affairs is changing. Nevertheless, in future when the world becomes three-polar, four-polar or five-polar, the Soviet Union, no matter how weakened it may be and even if some of its republics withdraw from it, will still be one pole. In the so-called multi-polar world, China too will be a pole. We should not belittle our own importance: one way or another, China will be counted as a pole.

Our foreign policies remain the same: first, opposing hegemonism and power politics and safeguarding world peace; and second, working to establish a new international political order and a new international economic order. These two policies should be emphasized repeatedly. Specifically, we should maintain our contacts with all other countries and increase our contacts with both the Soviet Union and the United States. Whatever changes take place in the Soviet Union, we should steadily expand relations with it, including political relations, on the basis of the [Five Principles of Peaceful Coexistence](#) and refrain from arguing over ideological differences.

We should continue to observe the international situation. True, there are some questions that we do not fully understand right now, but that doesn't mean the whole picture is black. We should not think that the situation has deteriorated seriously or that we are in a very unfavourable position. Things are not so bad as they seem. In this world there are plenty of complicated contradictions, and some deep-seated ones have just come to light. There are contradictions that we can use, conditions that are favourable to us, opportunities that we can take advantage of -- the problem is to seize them at the right moment.

Considering the overall situation, no matter what changes may take place over the next ten years, we should do solid work to develop the economy without delay. If we can quadruple the GNP in this decade, we shall have achieved an extraordinary success.

We should pay particular attention to the question of the drop in the economic growth rate. I am worried about this. If our economy grows at the rate of only four or five per cent a year, it will be all right for a couple of years. But if that rate continues for a long time, it will represent a decline compared with the growth in the rest of the world, especially in the East Asian and Southeast Asian countries and regions. Some countries have problems basically because they have failed to push their economy forward. In those countries people don't have enough food and clothing, their wage increases are wiped out by inflation, their living standards keep dropping and for a long time they have had to tighten their belts. If our economy continues to grow at a slow rate, it will be hard to raise living standards. Why do the people support us? Because over the last ten years our economy has been developing and developing visibly. If the economy stagnated for five years or developed at only a slow rate -- for example, at four or five per cent, or even two or three per cent a year -- what effects would be produced? This is not only an economic

problem but also a political one. When we work to improve the economic environment and rectify the economic order, we should therefore try to quickly attain an appropriate growth rate.

What rate is appropriate? An appropriate rate is one that will enable us to redouble the GNP in this decade. To calculate the target GNP for the year 2000, we have to use constant, unexaggerated 1980 prices as the base and take into consideration the anticipated population growth. That will tell us how much the economy has to grow every year. Is this method of calculation correct and reliable? We must calculate honestly whether we can quadruple the GNP with an annual growth rate of six per cent. After all, the actual increase in GNP will be reflected in the standard of living. The people can tell very well what their standard of living is. We leaders can never calculate it so well as they do; their judgement is most accurate.

What I mean is that the political stability we have already achieved is not enough to rely on. And although we have to strengthen ideological and political work and stress the need for hard struggle, we cannot depend on those measures alone. The crucial factor is economic growth, which will be reflected in a gradual rise in living standards. Only when people have felt the tangible benefits that come with stability and with the current systems and policies will there be true stability. No matter how the international situation changes, so long as we can ensure appropriate economic growth, we shall stand firm as Mount Tai.

If we are to ensure such growth, we cannot confine ourselves to handling immediate routine affairs. We must analyse problems from an overall, strategic point of view and work out concrete measures. We should seize every opportunity and make timely policy decisions. We should do some research to determine which localities have the most favourable conditions and promise the best economic returns. For example, it is of prime importance to develop Shanghai; that city is a trump card. By developing Shanghai we shall be taking a short cut.

From a long-term point of view, the reform and development of agriculture in socialist China will proceed in two leaps. The first leap was to abolish the people's communes and institute the responsibility system, the main form of which is the household contract that links remuneration to output. This system marks a great step forward and should remain unchanged for a long time to come. The second leap will be to introduce large-scale operations and to expand the collective economy, so as to facilitate scientific farming and socialized production. This will be another great step forward. Of course, it will be a long process. The township and village enterprises play an important role in the rural economy and need to be expanded and improved. But at the same time we must always pay close attention to agriculture. It is easy for the countryside to become prosperous, but it is also easy for it to become poor. If farming is neglected, the rural economy will collapse.

In short, it is still a big question whether we can prevent the economy from going downhill and quadruple the GNP by the end of this century. I am afraid that for at least the next ten years this question will keep us awake at night. If China wants to withstand

the pressure of hegemonism and power politics and to uphold the socialist system, it is crucial for us to achieve rapid economic growth and to carry out our development strategy.

(Excerpt from a talk with leading members of the Central Committee.)

WE ARE WORKING TO REVITALIZE THE CHINESE NATION

April 7, 1990

Forty years have passed since the founding of the People's Republic of China, and we have laid a good foundation for economic development. Since the Third Plenary Session of the Eleventh CPC Central Committee, we have been concentrating on modernizing the country so as to revitalize the Chinese nation. Unless we modernize, China will never attain its rightful position in the international community. But the modernization we are working for is socialist modernization. Only socialism can bind the people together, help them overcome their difficulties, prevent polarization of wealth and bring about common prosperity.

Last year there was some unrest in China. As was necessary, we brought the situation under control. I asked others to tell President Bush that if the political situation in China became unstable, the trouble would spread to the rest of the world, with consequences that would be hard to imagine. Stability is essential to economic development, and only under the leadership of the Communist Party can there be a stable socialist China.

Some Western countries have imposed sanctions on China, but to no avail. It was after twenty-two years of fighting that the People's Republic was founded, and the experience of blockades, sanctions and isolation by certain countries has only served to mature it. Our development over the past forty years, and especially over the last decade, has increased our strength. China will never collapse; on the contrary, it will grow stronger. This is what the nation, the people and the times demand.

I am a Chinese, and I am familiar with the history of foreign aggression against China. When I heard that the seven Western countries, at their summit meeting, had decided to impose sanctions on China, my immediate association was to 1900, when the [allied forces of the eight powers invaded China](#). Six of these same seven countries, excluding Canada, together with czarist Russia and Austria, constituted the eight powers that formed the allied forces in those days. Our people should study Chinese history; it will inspire us to develop the country.

Some people abroad are talking about the "Asia-Pacific century". Asia has a population of 3 billion people, and 1.1 billion of them live on the mainland of China. The so-called Asia-Pacific century will make no sense unless China develops. Of course, it will make no sense unless India develops too. The image of China depends on the mainland, and the

prospects for China's development also depend on the mainland. Taiwan is contending with the mainland for authority over China. It really overestimates its strength. It would be better for both sides to be broad-minded. For our part, we have already shown our broad-mindedness by proposing the formula of "one country, two systems". We believe that eventually our motherland will be reunified on the basis of that principle.

It will not be long before the People's Republic of China, which is already a political power, becomes an economic power as well. China's seat in the United Nations belongs to the People's Republic. Although the average per capita income is quite low on the mainland, we are not backward in every field. For instance, our annual output of iron and steel has reached 60 million tons. Space technology and high technology in other areas have developed rapidly in China, and we have had a high rate of success in launching satellites. The Chinese are very intelligent. Chinese scientists have scored great achievements despite poor research conditions and poor living conditions. When the Chinese people are disunited, they are weak, but when they join together, they have enormous strength.

We Chinese should bestir ourselves. The mainland has developed a solid economic foundation. Besides, we have tens of millions of overseas compatriots, and they want to see China grow strong and prosperous. We are unique in that respect. We shall seize every opportunity to develop. We do not interfere in the internal affairs of other countries, nor do we fear their sanctions. China opposes hegemonism, and we shall never seek hegemony ourselves. China's prospects for the next century are excellent.

(Excerpt from a talk with Dhanin Chearavanont, Chairman of the Board of the Chia Tai Group in Thailand.)

**CHINA WILL NEVER ALLOW OTHER COUNTRIES
TO INTERFERE
IN ITS INTERNAL AFFAIRS**

July 11, 1990

Ever since last year some countries have imposed sanctions on China. I think, first, they have no right to do so; second, experience has proved that China has the ability to withstand these sanctions. Our economic development has been affected to some extent, but not very seriously. In fact, the sanctions are gradually abating. One special feature of China's development is that it has proceeded under international sanctions for most of the forty years since the founding of the People's Republic. If there is nothing else we're good at, we're good at withstanding sanctions. So we are not worried or pessimistic about them; we take them calmly. Despite the trouble that has arisen in Eastern Europe and the Soviet Union, and despite the sanctions imposed by seven Western countries, we adhere to one principle: to maintain contacts and build good relations with the Soviet Union, with the United States, and also with Japan and the European countries. We have never wavered in this principle. China is magnanimous and is not upset by trifles like that.

China will never accept interference by other countries in its internal affairs. It was on the basis of our own conditions that we decided upon our social system, a system that our people endorse. Why should we accept foreign interference designed to change that decision? The key principle governing the new international order should be noninterference in other countries' internal affairs and social systems. It won't work to require all the countries in the world to copy the patterns set by the United States, Britain and France. There are many Islamic countries, making up one fifth of the world's population. In these countries it is absolutely impossible to introduce a so-called democratic system of the American type. The People's Republic of China, with another fifth of the world's population, will not adopt America's capitalist system either. The African countries too, through the Organization of African Unity, demand with one voice that no other country interfere in their internal affairs. This is the general trend throughout the world.

Given this background, if the Western developed countries insisted on interfering in other countries' internal affairs and social systems, it would lead to international turmoil, especially in the developing countries of the Third World, which need a stable political environment to lift themselves out of poverty. If there is political instability, how can they concentrate on solving the problem of food? Not to mention the problem of development. We must therefore take the [Five Principles of Peaceful Coexistence](#) as the norms for the new international political and economic order. Hegemonism and power politics, which have emerged in new form, cannot last long. Allowing a few countries to monopolize everything, as they have done for years, has never solved any problems, and it never will.

The conditions necessary for China to reach its development goal are a stable domestic environment and a peaceful international environment. We don't care what people say about us; what we do care about is to have a good environment in which to develop our country. We shall be satisfied if history proves the superiority of the Chinese socialist system. Whether the social systems of other countries are good or bad is not our business. After the events in Eastern Europe, I told some Americans not to rejoice too soon. The situation was complicated enough, the problems of Eastern Europe had not been solved, and it would be better for people not to provoke more trouble.

If China were in turmoil, can you imagine what it would be like? I don't think it would simply be the same as the "cultural revolution", when the older generation of Mao Zedong, Zhou Enlai and other prestigious leaders were around. Although the "cultural revolution" has been described as a full-scale civil war, there was no fierce fighting, no actual civil war. But now things have changed. If the situation deteriorated to the point where our Party and the state power couldn't function, with each faction controlling a part of the army, a civil war would indeed erupt. As soon as they seized power, the so-called fighters for democracy would start fighting each other. And if a civil war broke out, with blood flowing like a river, what "human rights" would there be? If civil war broke out in China, with each faction dominating a region, production declining, transportation disrupted and not millions or tens of millions but hundreds of millions of refugees fleeing the country, it is the Asia-Pacific region, which is at present the most promising in the

world, that would be the first to be affected. And that would lead to disaster on a world scale.

So China must not allow itself to descend into turmoil; we have that responsibility to ourselves and to all mankind. Even responsible foreign statesmen would acknowledge that China must remain stable. Human rights and democratic rights are not related to this question. The only solution is peaceful coexistence and cooperation of all countries with different social systems on the basis of the Five Principles, not interference in other countries' internal affairs and provoking disorders. China has raised this question to alert everyone, to remind all countries to be careful when they decide on their policies towards China.

(Excerpt from a talk with Pierre Elliott Trudeau, former Prime Minister of Canada.)

WE SHOULD ALL STRIVE TO REUNIFY THE MOTHERLAND

September 15, 1990

Recently the Taiwan side has shown a little more flexibility. Nevertheless, some people in Taiwan want to create "one country, two governments" and even to change the composition of the United Nations. In reality, they are still trying to create "two Chinas". At present, the United Nations recognizes the Government of the People's Republic of China as the sole legal government of China, and Taiwan as a part of China. How can the authorities in Taiwan be called the Chinese Government? They can't. Nothing could be more reasonable than the "one country, two systems" arrangement. What would Taiwan stand to lose by it? This is an opportunity for Taiwan and the entire nation. All of us should work hard to push Taiwan towards reunification.

The mainland, with a population of 1.1 billion, 92 per cent of which is of the Han nationality and 8 per cent of other nationalities, is the largest part of China. Our policies towards all ethnic groups are correct and guarantee genuine equality among them. We always pay close attention to the interests of the minorities -- one important feature of China is precisely that there are no major disputes between ethnic groups.

Our compatriots on the mainland, those in Taiwan, Hong Kong and Macao and the overseas Chinese are all descendants of the Chinese people. We should all strive to reunify our motherland and revitalize our nation.

(Excerpt from a talk with Kuok Hock Nien, Chairman of the Board of Kuok Brothers, Sdn. Bhd. (Pvt., Ltd.) in Malaysia.)

SEIZE THE OPPORTUNITY TO DEVELOP THE ECONOMY

December 24, 1990

There are many unpredictable factors affecting the international situation, and the contradictions are becoming increasingly evident. The current situation is more complex and chaotic than in the past, when the two hegemonist powers were contending for world domination. No one knows how to clear up the mess. Some developing countries would like China to become the leader of the Third World. But we absolutely cannot do that -- this is one of our basic state policies. We can't afford to do it and besides, we aren't strong enough. There is nothing to be gained by playing that role; we would only lose most of our initiative. China will always side with the Third World countries, but we shall never seek hegemony over them or serve as their leader. Nevertheless, we cannot simply do nothing in international affairs; we have to make our contribution. In what respect? I think we should help promote the establishment of a new international political and economic order. We do not fear anyone, but we should not give offence to anyone either. We should act in accordance with the [Five Principles of Peaceful Coexistence](#) and never deviate from them.

I am satisfied with the work of the Central Committee over the last year and a half. I am completely in favour of the effort made at the Seventh Plenary Session of the Thirteenth Central Committee to seek unity of thinking within the Party, and I fully agree with the new five-year plan and the ten-year programme. It seems to me that agriculture has great potential for development, and we should never relax our efforts in this regard. As for steel, to meet our needs we have to produce 100 to 120 million tons a year. That is a goal of strategic importance. We should build more nuclear power stations. It's also very important to develop oil and gas fields, to build railways and highways and to protect the natural environment. To reach the goal of quadrupling GNP by the end of the century we shall have to do solid work. But if we can reach it, in another 30 to 50 years our country will rank among the first in the world in overall strength. That will really demonstrate the superiority of socialism.

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-favoured-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.

Don't be afraid of taking a few risks. By now we have developed the ability to take risks. Why were we able to control inflation so quickly without having much effect on the market and the currency? Because we have been carrying out the reform and opening for eleven or twelve years. As we go further with the reform and open wider to the outside world, we shall be better able to cope with problems if they arise. Don't be afraid of risks: we can't do anything without taking some risks.

It is a big problem to find ways for the coastal areas to assist the inland areas. We can have one coastal province help one or two inland provinces. Nevertheless, we should not lay too heavy a burden on the coastal areas all at once. During the initial period they can just transfer certain technologies to the interior. Since the very beginning of the reform we have been emphasizing the need for seeking common prosperity; that will surely be the central issue some day. Socialism does not mean allowing a few people to grow rich while the overwhelming majority live in poverty. No, that's not socialism. The greatest superiority of socialism is that it enables all the people to prosper, and common prosperity is the essence of socialism. If polarization occurred, things would be different. The contradictions between various ethnic groups, regions and classes would become sharper and, accordingly, the contradictions between the central and local authorities would also be intensified. That would lead to disturbances.

I have said more than once that stability is of overriding importance and that we cannot abandon the people's democratic dictatorship. If some people practise bourgeois liberalization and create turmoil by demanding bourgeois human rights and democracy, we have to stop them. Marx once said that the theory of class struggle was not his discovery. The heart of his theories was the dictatorship of the proletariat. For a fairly long period of time the proletariat, as a new, rising class, is necessarily weaker than the bourgeoisie. If it is to seize political power and build socialism, it must therefore impose a dictatorship to resist capitalist attack. To keep to the socialist road, we must uphold the dictatorship of the proletariat, which we call the people's democratic dictatorship. This principle is just as important as the other three cardinal principles. So it is necessary for us to explain theoretically the necessity of upholding the people's democratic dictatorship.

The crucial thing for China is for the Communist Party to have a good Political Bureau, particularly a good Standing Committee of the Political Bureau. So long as no problems arise in those two bodies, China will be as stable as Mount Tai. Internationally, no one will look down upon us, and more and more people will invest in China. We should seize every opportunity to develop the economy. The year after next, at the Party's Congress, younger people who are full of energy should be elected to the Political Bureau and especially to its Standing Committee. We should not underestimate the achievements we have scored during the last year and a half. The domestic and international situation has been better than we had anticipated. Now the most important thing is to have a united core of leadership. If we can go on in this way for 50 or 60 years, socialist China will be invincible.

(Excerpt from a talk with leading members of the CPC Central Committee.)

REMARKS MADE DURING AN INSPECTION TOUR OF SHANGHAI

January 28 - February 18, 1991

It is late for us to be developing Shanghai, so we have to work hard.

When we decided to establish the four special economic zones in 1979, we chose them mainly on the basis of their geographical advantages. Shenzhen is adjacent to Hong Kong, and Zhuhai is close to Macao. We chose Shantou because there are many natives of nearby Chaozhou living in Southeast Asian countries. Xiamen became a special economic zone because many natives of southern Fujian have emigrated to other countries and gone into trade. However, we did not take the intellectual advantages of Shanghai into account. Since the people of Shanghai are clever and well educated, if we had decided to establish a special economic zone here, the city would look very different now.

The 14 open coastal cities include Shanghai, but these have no special status. It would have been better to develop the Pudong District a few years ago, like the Shenzhen Special Economic Zone. Development of the Pudong District will have a great impact not just on the district itself but on all of Shanghai, which in turn will serve as a base for the development of the Yangtze delta and the whole Yangtze basin. So we should lose no time in developing the Pudong District and persevere until construction is completed. So long as we keep our word and act in accordance with international practice, foreign entrepreneurs will choose to invest in Shanghai. That is the right way to compete.

Finance is very important, because it is the core of the modern economy. Handling financial affairs well is the key to success in this sphere. Shanghai used to be a financial centre where different currencies were freely exchanged, and it should become so again. If China is to acquire international status in finance, we should depend primarily on Shanghai. It will take many years, but we should act now.

Our Party should adhere to the policies of reform and opening to the outside world for decades to come. Some people may have different views about this, but they are still well-intentioned. One reason people may differ is that they are not adapting to the new policies; another is that they are afraid problems will arise. If I am the only one to speak in favour of reform and opening up, it won't be enough. The entire Party membership should do so too, and for decades. Of course, we should not be too impatient; we have to use facts to demonstrate that our policies are correct. When we proposed instituting the household contract responsibility system with remuneration linked to output, many people disagreed and doubted that the system was socialist. They didn't say anything, but in their hearts they were not convinced, and they dragged their feet about applying it. Some people refused to apply it for two years, and we just waited.

Don't think that any planned economy is socialist and any market economy is capitalist. That's not the way things are. In fact, planning and regulation by the market are both means of controlling economic activity, and the market can also serve socialism.

We cannot keep the door closed to the outside world. During the "cultural revolution" there was the [Fengqing incident](#); I quarreled about it with the Gang of Four. Since it was only a 10,000-ton ship, it was nothing to boast about. In 1920 when I went to study in

France, I took a foreign packet of 50,000 tons. Now that China is opening to the outside world, we can make ships of 100,000 and 200,000 tons. If we hadn't opened up, we would still be hammering out automobile parts the way we did in the past. Now things are vastly different; there has been a qualitative change that can be seen in every field, not just in the automobile industry. We have to be determined about opening to the outside, because there are many obstacles in the way. Some people say that the three forms of ventures involving foreign investment [joint, cooperative and foreign-owned] are not part of the national economy, and they are afraid to see them develop. This is not good. It is hard to develop the economy without opening up. Countries all over the world have to open up for economic development, and the Western countries encourage the flow of funds and technology.

Defence-related enterprises have long since begun to manufacture both military and civilian products. That is the right thing to do. In some countries this has not been done, and they have therefore run into difficulties.

We should overcome our fears. Everything has to be tried first by someone -- that's the only way new trails are blazed. That first person must be prepared to fail, but if he does, it doesn't matter. So I hope the people of Shanghai will further emancipate their minds, be more daring and move ahead faster.

(Addressed to leading cadres of Shanghai.)

REVIEW YOUR EXPERIENCE AND USE PROFESSIONALLY TRAINED PEOPLE

August 20, 1991

The situation in China is now stable. That is because, for one thing, we resolutely adhered to socialism when we quelled the unrest in 1989 and because, for another, we have persisted in the policies of reform and opening to the outside world. If we hadn't taken action to prove that we were still adhering to those policies, the situation would not be stable. The future of China hinges on our adhering to those policies, and we should explain that fully to the people.

In reviewing the experience we have gained in economic work during this period, what should we emphasize? I think we should emphasize our experience in reform and opening up. Without the leap that we have made in economic development over the past ten years by carrying out those policies, it would have been impossible for us to improve the economic environment and rectify the economic order. It is right to stress stability, but if we overdo it, we may let opportunities slip by. Right now we have double-digit industrial growth, and things are going well in agriculture too. It seems that our economy tends to develop in waves, moving rapidly ahead for a few years, reaching a higher stage, after which we pause to solve the problems that have arisen, and then moving on again.

Our experience shows that we must have stability but that stability alone cannot solve all problems. Then should we emphasize it in future? Yes, but we should analyse the specific conditions to decide when and how to do so. In any event, stability is not the only thing we should emphasize. It is particularly important not to abandon the fundamental policies of reform and opening up. That is the only way to seize opportunities to push the economy to a higher stage.

In this connection, we can follow the example of other countries. Many countries have progressed in this manner and lifted themselves out of poverty in only 10 years. Great changes are taking place in the world, and this gives us an opportunity. People are talking about the "Asia-Pacific century". Where do we stand? In the past China lagged behind the developed countries but was more advanced than the poor ones. This last is no longer always the case. Some countries in Southeast Asia are full of enthusiasm for development and may move ahead of us. China is developing too, but compared with them we have a huge population, and the world market is already dominated by other countries. So we find ourselves under pressure -- we can consider it friendly pressure. But if we don't seize this opportunity to raise the economy to a higher level, other countries will leap ahead of us, leaving us far behind. Somehow I feel this is a problem, and I hope you will study it. We don't often have an opportunity like this.

We must continue to stress the need to combat bourgeois liberalization. In carrying out the reform and the open policy and in shifting the focus of our work to economic development, we are not abandoning Marx, Lenin and Mao Zedong. We cannot forget our forefathers! The problem is to get a clear understanding of what socialism is and how we can build and expand it.

Another problem is how to find and use professionally trained people. They are really hard to come by. You come from grass-roots units. When you worked there you knew or came into contact with all kinds of people, both at your own level and at other levels. If you think some of them are talented, even if they have certain weaknesses, you should not hesitate to employ them. Trained people can be very useful; indeed, we can do nothing without them. In 1975, when I was responsible for straightening things out in all fields of endeavour, I used a few capable people, and with their help I succeeded in restoring order in certain areas and making great changes. The problem is that there aren't many truly competent people, we don't try hard enough to identify them, and when we do, we hesitate to employ them. People may have different opinions about someone; complete agreement is not possible. But if a person has some weaknesses, we can point them out to him and meantime let him work. On the whole, we have not paid much attention to using capable people. I suggest that you leading comrades review your experience in this regard, respect professionally trained people and recruit them in large numbers.

In short, I am formally suggesting that you review your experience and employ professionally trained people.

(Excerpt from a talk with leading members of the CPC Central Committee.)

EXCERPTS FROM TALKS GIVEN IN WUCHANG, SHENZHEN, ZHUHAI AND SHANGHAI

January 18 - February 21, 1992

I

I was here in Guangdong in 1984. At that time rural reform had been under way for several years, and we were just beginning to introduce urban reform and to establish special economic zones. Eight years have passed since then. This time, during my trip here, I have found that the rapid growth in the Shenzhen and Zhuhai special economic zones and some other areas has exceeded my expectations. After what I have seen, I am even more confident.

Revolution means the emancipation of the productive forces, and so does reform. The overthrow of the reactionary rule of imperialism, feudalism and bureaucrat-capitalism helped release the productive forces of the Chinese people. This was revolution, so revolution means the emancipation of the productive forces. After the basic socialist system has been established, it is necessary to fundamentally change the economic structure that has hampered the development of the productive forces and to establish a vigorous socialist economic structure that will promote their development. This is reform, so reform also means the emancipation of the productive forces. In the past, we only stressed expansion of the productive forces under socialism, without mentioning the need to liberate them through reform. That conception was incomplete. Both the liberation and the expansion of the productive forces are essential.

In upholding the line, principles and policies formulated since the Third Plenary Session of the Eleventh Central Committee of the CPC, it is essential to adhere to the principle of "one central task and two basic points". If we did not adhere to socialism, implement the policies of reform and opening to the outside world, develop the economy and raise living standards, we would find ourselves in a blind alley. We should adhere to the basic line for a hundred years, with no vacillation. That is the only way to win the trust and support of the people. Any one who attempted to change the line, principles and policies adopted since the Third Plenary Session of the Eleventh Central Committee would not be countenanced by the people; he would be toppled. I have said this several times. Had it not been for the achievements of the reform and the open policy, we could not have weathered June 4th. And if we had failed that test, there would have been chaos and civil war. The "cultural revolution" was a civil war. Why was it that our country could remain stable after the June 4th Incident? It was precisely because we had carried out the reform and the open policy, which have promoted economic growth and raised living standards. The army and the government should therefore safeguard the socialist system and these policies.

In the short span of the last dozen years, the rapid development of our country has delighted the people and attracted world attention. This suffices to prove the correctness

of the line, principles and policies adopted since the Third Plenary Session of the Eleventh Central Committee. No one could change them, even if he wanted to. After all that's been said, I can sum up our position in one sentence: we shall keep to this line and these principles and policies. Since we introduced the reform and the open policy, we have drawn up many rules and regulations covering all fields of endeavour. Clear-cut guidelines and policies concerning economic and political affairs, science and technology, education, culture and military and foreign affairs have been worked out and expressed in precise terms. The recent [Eighth Plenary Session of the Thirteenth Central Committee](#) was a success. It declared that the rural household contract responsibility system with remuneration linked to output should remain unchanged. Any change in that system would cause concern among the people, who would say that the Central Committee had altered its policy.

In the initial stage of the rural reform, there emerged in Anhui Province the issue of the "Fool's Sunflower Seeds". Many people felt uncomfortable with this man who had made a profit of 1 million yuan. They called for action to be taken against him. I said that no action should be taken, because that would make people think we had changed our policies, and the loss would outweigh the gain. There are many problems like this one, and if we don't handle them properly, our policies could easily be undermined and overall reform affected. The basic policies for urban and rural reform must be kept stable for a long time to come.

Of course, as the reform progresses, some of these policies should be improved or amended as necessary. But we should keep firmly to our general direction. It doesn't matter much whether we can come up with new ideas. What matters is that we should not change our policies and should not make people feel that we are changing them. Then, the prospects for China will be excellent.

II

We should be bolder than before in conducting reform and opening to the outside and have the courage to experiment. We must not act like women with bound feet. Once we are sure that something should be done, we should dare to experiment and break a new path. That is the important lesson to be learned from Shenzhen. If we don't have the pioneering spirit, if we're afraid to take risks, if we have no energy and drive, we cannot break a new path, a good path, or accomplish anything new. Who dares claim that he is 100 per cent sure of success and that he is taking no risks? No one can ever be 100 per cent sure at the outset that what he is doing is correct. I've never been that sure. Every year leaders should review what they have done, continuing those measures that have proved correct, acting promptly to change those that have proved wrong and tackling new problems as soon as they are identified.

It will probably take another thirty years for us to develop a more mature and well-defined system in every field. The principles and policies to be applied under each system will also be more firmly established. We are constantly accumulating more experience in building a Chinese-style socialism. Judging from the local press, the provinces have

gained considerable experience, each proceeding in light of its own particular features. That's good. Creativity is just what we want.

The reason some people hesitate to carry out the reform and the open policy and dare not break new ground is, in essence, that they're afraid it would mean introducing too many elements of capitalism and, indeed, taking the capitalist road. The crux of the matter is whether the road is capitalist or socialist. The chief criterion for making that judgement should be whether it promotes the growth of the productive forces in a socialist society, increases the overall strength of the socialist state and raises living standards. As for building special economic zones, some people disagreed with the idea right from the start, wondering whether it would not mean introducing capitalism. The achievements in the construction of Shenzhen have given these people a definite answer: special economic zones are socialist, not capitalist. In the case of Shenzhen, the publicly owned sector is the mainstay of the economy, while the foreign-invested sector accounts for only a quarter. And even in that sector, we benefit from taxes and employment opportunities. We should have more of the three kinds of foreign-invested ventures [joint, cooperative and foreign-owned]. There is no reason to be afraid of them. So long as we keep level-headed, there is no cause for alarm. We have our advantages: we have the large and medium-sized state-owned enterprises and the rural enterprises. More important, political power is in our hands.

Some people argue that the more foreign investment flows in and the more ventures of the three kinds are established, the more elements of capitalism will be introduced and the more capitalism will expand in China. These people lack basic knowledge. At the current stage, foreign-funded enterprises in China are allowed to make some money in accordance with existing laws and policies. But the government levies taxes on those enterprises, workers get wages from them, and we learn technology and managerial skills. In addition, we can get information from them that will help us open more markets. Therefore, subject to the constraints of China's overall political and economic conditions, foreign-funded enterprises are useful supplements to the socialist economy, and in the final analysis they are good for socialism.

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. The essence of socialism is liberation and development of the productive forces, elimination of exploitation and polarization, and the ultimate achievement of prosperity for all. This concept must be made clear to the people. Are securities and the stock market good or bad? Do they entail any dangers? Are they peculiar to capitalism? Can socialism make use of them? We allow people to reserve their judgement, but we must try these things out. If, after one or two years of experimentation, they prove feasible, we can expand them. Otherwise, we can put a stop to them and be done with it. We can stop them all at once or gradually, totally or partially. What is there to be afraid of? So long as we keep this attitude, everything will be all right, and we shall not make any major mistakes. In short, if we want socialism to achieve superiority over

capitalism, we should not hesitate to draw on the achievements of all cultures and to learn from other countries, including the developed capitalist countries, all advanced methods of operation and techniques of management that reflect the laws governing modern socialized production.

To take the road to socialism is to realize common prosperity step by step. Our plan is as follows: where conditions permit, some areas may develop faster than others; those that develop faster can help promote the progress of those that lag behind, until all become prosperous. If the rich keep getting richer and the poor poorer, polarization will emerge. The socialist system must and can avoid polarization. One way is for the areas that become prosperous first to support the poor ones by paying more taxes or turning in more profits to the state. Of course, this should not be done too soon. At present, we don't want to dampen the vitality of the developed areas or encourage the practice of having everyone "eat from the same big pot". We should study when to raise this question and how to settle it. I can imagine that the right time might be the end of this century, when our people are living a fairly comfortable life. At that time, while developed areas continue to grow, they should also give strong support to less developed areas by paying more taxes, turning in more profits and transferring technology. Most of the less developed areas are rich in resources and have great potential for development. In short, taking the country as whole, I am confident that we can gradually bridge the gap between coastal and inland areas.

In the beginning opinions were divided about the reform and the open policy. That was normal. The difference was not only over the special economic zones but also over the bigger issues, such as the rural reform that introduced the household contract responsibility system with remuneration linked to output and abolished the system of people's communes. Initially, in the country as a whole, only one third of the provinces launched the reform. By the second year, however, more than two thirds of them had done so, and the third year almost all the rest joined in. At first, people were not enthusiastic about rural reform, and many waited to see how it would work. It was our policy to permit people to do that, which was much better than coercing them. In carrying out the line, principles and policies adopted since the Third Plenary Session of the Eleventh Central Committee, we did not resort to compulsion or mass movements. People were allowed to follow the line on a voluntary basis, doing as much or as little as they wished. In this way, others gradually followed suit. It was my idea to discourage contention, so as to have more time for action. Once disputes begin, they complicate matters and waste a lot of time. As a result, nothing is accomplished. Don't argue; try bold experiments and blaze new trails. That's the way it was with rural reform, and that's the way it should be with urban reform.

At present, we are being affected by both Right and "Left" tendencies. But it is the "Left" tendencies that have the deepest roots. Some theorists and politicians try to intimidate people by pinning political labels on them. That is not a Right tactic but a "Left" one. "Left" tendencies have a revolutionary connotation, giving the impression that the more "Left" one is, the more revolutionary one is. In the history of the Party, those tendencies have led to dire consequences. Some fine things were destroyed

overnight. Right tendencies can destroy socialism, but so can ``Left" ones. China should maintain vigilance against the Right but primarily against the ``Left". The Right still exists, as can be seen from disturbances. But the ``Left" is there too. Regarding reform and the open policy as means of introducing capitalism, and seeing the danger of peaceful evolution towards capitalism as coming chiefly from the economic sphere are ``Left" tendencies. If we keep clear heads, we shall not commit gross errors, and when problems emerge, they can be easily put right.

III

If we are to seize opportunities to promote China's all-round development, it is crucial to expand the economy. The economies of some of our neighbouring countries and regions are growing faster than ours. If our economy stagnates or develops only slowly, the people will make comparisons and ask why. Therefore, those areas that are in a position to develop should not be obstructed. Where local conditions permit, development should proceed as fast as possible. There is nothing to worry about so long as we stress efficiency and quality and develop an export-oriented economy. Slow growth equals stagnation and even retrogression. We must grasp opportunities; the present offers an excellent one. The only thing I worry about is that we may lose opportunities. If we don't seize them, they will slip through our fingers as time speeds by.

In developing the economy, we should strive to reach a higher level every few years. Of course, this should not be interpreted as encouraging unrealistic speed. We should do solid work, stressing efficiency, so as to realize steady, coordinated progress. Guangdong, for example, should try to mount several steps and catch up with the ``four little dragons" of Asia in twenty years. In relatively developed areas such as Jiangsu Province, growth should be faster than the national average. Shanghai is another example. It has all the necessary conditions for faster progress. It enjoys obvious advantages in skilled people, technology and management and can have an impact over a wide area. In retrospect, one of my biggest mistakes was leaving out Shanghai when we launched the four special economic zones. If Shanghai had been included, the situation with regard to reform and opening in the Yangtze Delta, the entire Yangtze River valley and, indeed, the whole country would be quite different.

Judging from what we have accomplished in recent years, it should be possible for our economy to reach a new stage every few years. We actually started the reform in 1980. In 1981, 1982 and 1983 it was carried out primarily in the countryside. In 1984 the focus shifted to urban areas. The years from 1984 to 1988 witnessed comparatively rapid economic growth. During those five years rural reform brought about many changes: grain output increased substantially, as did the peasants' income, and rural enterprises emerged as a new force. The purchasing power of peasants increased and many new houses were built. The ``four big items" -- bicycles, sewing machines, radios and wristwatches -- entered ordinary peasant households, along with some more expensive consumer goods. The increase of farm and sideline products, the expansion of rural markets and the shift of surplus farm labour to rural enterprises stimulated industrial development.

In those five years the gross industrial output value amounted to more than 6 trillion yuan, with an average annual growth rate of 21.7 per cent. Production of processed food, clothing, housing, transportation and commodities for daily use, including major appliances such as colour TV sets, refrigerators and washing machines, increased by a wide margin. There was also substantial growth in the production of capital goods such as rolled steel and cement. Thus, agriculture and industry, rural areas and urban areas had a reciprocal impact, progress in one sector promoting progress in the other. This is a vivid, convincing model of the development process. It can be said that during this period China's wealth expanded considerably, and the economy as a whole was raised to a new level. In 1989 we began the drive to improve the economic environment and rectify the economic order, which I endorsed because it was plainly necessary. The overheated economy had resulted in a number of problems. For instance, the issuance of too much currency had led to major price rises, and there was much wasteful duplicate construction.

Nevertheless, what should be our overall assessment of the accelerated development in those five years? We might call it a leap, but unlike the Great Leap Forward of 1958, it did not damage the structure and mechanisms of economic development as a whole. In my opinion, the accelerated development of that period was no small contribution. Our three-year effort to improve the economic environment and rectify the economic order was a success. But in assessing that effort, we can say it was an achievement only in the sense that we stabilized the economy. Should not the accelerated development of the preceding five years be considered an achievement too? An achievement in one respect at least? Had it not been for the leap in those years when the economy rose to a new level, the readjustment of the following three years could not have been carried out so smoothly.

It seems to me that, as a rule, at certain stages we should seize the opportunity to accelerate development for a few years, deal with problems as soon as they are recognized, and then move on. Basically, when we have enough material wealth, we shall have the initiative in handling contradictions and problems. For a big developing nation like China, it is impossible to attain faster economic growth steadily and smoothly at all times. Attention must be paid to stable and proportionate development, but stable and proportionate are relative terms, not absolute. Development is the absolute principle. We must be clear about this question. If we fail to analyse it properly and to understand it correctly, we shall become overcautious, not daring to emancipate our minds and act freely. Consequently, we shall lose opportunities. Like a boat sailing against the current, we must forge ahead or be swept downstream.

The experience of other countries shows that some of them -- Japan, South Korea and parts of Southeast Asia, for example -- have gone through one or more periods of rapid development. Since we have the necessary domestic conditions and a favourable international environment, and since under the socialist system we have the advantage of being able to concentrate our forces on a major task, it is now both possible and necessary for us to bring about, in the prolonged process of modernization, several periods of rapid growth with good economic returns. We must have this ambition.

Rapid development of the economy can only be based on science, technology and education. I have said that science and technology are a primary productive force. How fast they have progressed over the past 10 or 20 years! One breakthrough in the field of high technology promotes the growth of several industries. Could we have developed so rapidly in recent years without science and technology? We must promote science, for that is where our hope lies. Over the past decade China has made substantial progress in science and technology; I hope still greater progress can be made in the 1990s. People in every field of endeavour should set a clear-cut strategic goal and reach it. China should take its place in the world in the field of high technology too. I am no professional, but I want to thank the scientists and engineers for their contributions to China and the honours they have won for our country. We should remember the days when scientists of the older generation, such as [Qian Xuesen](#), [Li Siguang](#) and [Qian Sanqiang](#), developed the atomic and hydrogen bombs, satellites and many other high technologies under extremely difficult conditions. It should be said that scientists are luckier today, so we can demand more of them.

I have said that intellectuals are part of the working class. Veteran and middle-aged scientists are important, and so are young ones. We hope all those who are studying abroad will come back. All overseas students may return and enjoy proper arrangements for their life and work, regardless of their previous political attitudes. This policy will not change. They should be told that if they want to make their contributions, it would be better for them to come home. I hope that concerted efforts will be made to accelerate progress in China's scientific, technological and educational undertakings. We should develop science and technology, and the higher and newer the technologies are, the better, and the more delighted we shall be -- and not just we, but the entire people and the state. We should all love our country and help to develop it.

IV

There are two tasks we have to keep working at: on the one hand, the reform and opening process, and on the other, the crackdown on crime. We must be steadfast with regard to both. In combating crime and eliminating social evils, we must not be soft. Guangdong is trying to catch up with Asia's "four little dragons" in 20 years, not only in terms of economic growth, but also in terms of improved public order and general social conduct - that is, we should surpass them in both material and ethical progress. Only that can be considered building socialism with Chinese characteristics. Thanks to a strict administration, Singapore has good public order. We should learn from its experience and surpass it in this respect.

Since China opened its doors to the outside world, decadent things have come in along with the others, and evils such as drug abuse, prostitution and economic crimes have emerged in some areas. Special attention must be paid to these evils, and resolute measures must be taken to stamp them out and prevent them from spreading. 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.

Throughout the process of reform and opening, we must combat corruption. Cadres and Party members should consider it of prime importance to build a clean government. But we still have to rely on the law, which provides a firm guarantee. In short, so long as we develop our productive forces, maintain a reasonable economic growth rate, promote reform and opening and, at the same time, crack down on crime, we shall be able to build a socialist society with advanced ethical standards.

Throughout the process of reform and opening, we must also adhere to the [Four Cardinal Principles](#). At the Sixth Plenary Session of the Twelfth Central Committee I said that the struggle against bourgeois liberalization must be conducted for twenty years. Now it seems it will take longer. The rampant spread of bourgeois liberalization may have grave consequences. It has taken the special economic zones more than ten years to reach the present stage. They can collapse overnight. Collapse is easy, but construction is difficult. If we don't nip bourgeois liberalization in the bud, we may find ourselves in trouble.

One of the basic concepts of Marxism is that the socialist system must be defended by the dictatorship of the proletariat. Marx once said the theory of class struggle was not his discovery. His real discovery was the theory of the dictatorship of the proletariat. History has proved that a new, rising class that has just taken power is, generally speaking, weaker than the opposing classes. It must therefore resort to dictatorship to consolidate its power. Democracy is practised within the ranks of the people and dictatorship over the enemy. This is the people's democratic dictatorship. It is right to consolidate the people's power by employing the force of the people's democratic dictatorship. There is nothing wrong in that. We have been building socialism for only a few decades and are still in the primary stage. It will take a very long historical period to consolidate and develop the socialist system, and it will require persistent struggle by many generations, a dozen or even several dozens. We can never rest on our oars.

V

The implementation of the correct political line must be ensured by a correct organizational line. In a sense, whether we can manage our domestic affairs well, whether we can keep to the socialist road and adhere to reform and the open policy, whether we can develop the economy more rapidly and whether we can maintain long-term peace and stability will all be determined by people.

The imperialists are pushing for peaceful evolution towards capitalism in China, placing their hopes on the generations that will come after us. Comrade Jiang Zemin and his peers can be regarded as the third generation, and there will be a fourth and a fifth. Hostile forces realize that so long as we of the older generation are still alive and carry weight, no change is possible. But after we are dead and gone, who will ensure that there is no peaceful evolution? So we must educate the army, persons working in the organs of dictatorship, the Communist Party members and the people, including the youth. If any

problem arises in China, it will arise from inside the Communist Party. We must keep clear heads. We must pay attention to training people, selecting and promoting to positions of leadership persons who have both ability and political integrity, in accordance with the principle that they should be revolutionary, young, well educated and professionally competent. This is of vital importance to ensure that the Party's basic line is followed for a hundred years and to maintain long-term peace and stability. It is crucial for the future of China.

This is a pressing problem that has not yet been solved satisfactorily, and I hope it will be. I began to think about it when I resumed work after the "cultural revolution". When we found that it was impossible for our generation to ensure long-term peace and stability, we tried hard to find a third generation to succeed us and recommended a few persons. But that didn't solve the problem. Two persons who were chosen failed, and not with regard to economic issues; they stumbled over the question of opposing bourgeois liberalization. That was something we could not tolerate. In late May 1989 I said that we should boldly choose for the new leadership persons who were generally recognized as adhering to the line of reform and opening up and who had some achievements in that respect to their credit. This would convince the people that we were wholeheartedly committed to that line. The masses judge from practice. When they come to the conclusion that socialism is good and that reform and the open policy are good, our cause will flourish forever.

More young people should be promoted to positions of leadership. The present central leaders are rather advanced in years. Those who are a little over 60 are counted as young. They may be able to work for another 10 years, but 20 years from now they will be in their 80s, like me. They may be able to chat with people, as I'm doing today, but they won't have the energy to do much work. The current central leaders have been doing a good job. Of course, there are still quite a few problems in their work, but there are always problems in one's work. It is essential for old people like us to stand aside, give newcomers a free hand and watch them mature. Old people should voluntarily offer younger ones their places and give them help from the sidelines, but never stand in their way. Out of goodwill, they should help them when things are not being handled properly. They must pay attention to training successors of the next generation. The reason I insisted on retiring was that I didn't want to make mistakes in my old age. Old people have strengths but also great weaknesses -- they tend to be stubborn, for example -- and they should be aware of that. The older they are, the more modest they should be and the more careful not to make mistakes in their later years. We should go on selecting younger comrades for promotion and helping train them. Don't put your trust only in old age. I was already in a high position when I was in my 20s. I didn't know as much as you do now, but I managed. More young people must be chosen, helped, trained and allowed to grow. When they reach maturity, we shall rest easy. Right now we are still worried. In the final analysis, we must manage Party affairs in such a way as to prevent trouble. Then we can sleep soundly. Whether the line for China's development that was laid down at the Third Plenary Session of the Eleventh Central Committee will continue to be followed depends on the efforts of everyone, and especially on the education of future generations.

One of our problems today is formalism. Every time you turn on the television, you see a meeting being held. We hold countless meetings, and our articles and speeches are too long and too repetitious, in both content and language. Of course, some words have to be repeated, but we should try to be concise. Formalism is a kind of bureaucratism. We should spend more time on practical matters. That means saying less and doing more. Chairman Mao never held long meetings, his essays were short and concise and his speeches succinct. When he asked me to draft the work report to be delivered by Premier Zhou Enlai at the Fourth National People's Congress, he said it should be no more than 5,000 Chinese characters. I kept to 5,000 characters, and they were enough. I suggest you do something about this problem.

In studying Marxism-Leninism we must grasp the essence and learn what we need to know. Weighty tomes are for a small number of specialists; how can the masses read them? It is formalistic and impracticable to require that everyone read such works. It was from the Communist Manifesto and The ABC of Communism that I learned the rudiments of Marxism. Recently, some foreigners said that Marxism cannot be defeated. That is so not because there are so many big books, but because Marxism is the irrefutable truth. The essence of Marxism is seeking truth from facts. That's what we should advocate, not book worship. The reform and the open policy have been successful not because we relied on books, but because we relied on practice and sought truth from facts. It was the peasants who invented the household contract responsibility system with remuneration linked to output. Many of the good ideas in rural reform came from people at the grass roots. We processed them and raised them to the level of guidelines for the whole country. Practice is the sole criterion for testing truth. I haven't read too many books, but there is one thing I believe in: Chairman Mao's principle of seeking truth from facts. That is the principle we relied on when we were fighting wars, and we continue to rely on it in construction and reform. We have advocated Marxism all our lives. Actually, Marxism is not abstruse. It is a plain thing, a very plain truth.

VI

I am convinced that more and more people will come to believe in Marxism, because it is a science. Using historical materialism, it has uncovered the laws governing the development of human society. Feudal society replaced slave society, capitalism supplanted feudalism, and, after a long time, socialism will necessarily supersede capitalism. This is an irreversible general trend of historical development, but the road has many twists and turns. Over the several centuries that it took for capitalism to replace feudalism, how many times were monarchies restored! So, in a sense, temporary restorations are usual and can hardly be avoided. Some countries have suffered major setbacks, and socialism appears to have been weakened. But the people have been tempered by the setbacks and have drawn lessons from them, and that will make socialism develop in a healthier direction. So don't panic, don't think that Marxism has disappeared, that it's not useful any more and that it has been defeated. Nothing of the sort!

Peace and development are the two major issues in the world, and neither one has been resolved. Socialist China should show the world through its actions that it is opposed to hegemonism and power politics and will never seek hegemony. China is a steadfast force for safeguarding world peace.

We shall push ahead along the road to Chinese-style socialism. Capitalism has been developing for several hundred years. How long have we been building socialism? Besides, we wasted twenty years. If we can make China a moderately developed country within a hundred years from the founding of the People's Republic, that will be an extraordinary achievement. The period from now to the middle of the next century will be crucial. We must immerse ourselves in hard work: we have difficult tasks to accomplish and bear a heavy responsibility.