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THE UNITED STATES: A “VOLUNTARY TEACHER” IN CHINA’S EDUCATION
IN PATRIOTISM

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[Tian Congming was a functionary in the propaganda system until his retirement in 2007; during the 2000s he was the head of the Party organization in the Xinhua News Agency; previously had worked mainly in movies, television, and radio. In this essay he claims that close exposure to the faults in American society contribute to Chinese “education in patriotism.” The work perhaps reflects a certain still defensive self-satisfaction in the wake of the economic problems that hit the United States in 2008, problems that at the time of writing China had been able to cope with relatively well. Tian claims, among other things, that the “war on terror” is an American pretext to establish world domination. The Soviet Union fell as a result of a western plot, although this was abetted by that regime’s own faults—faults China has been able to avoid. American democracy, Tian claims, means the rule of money, while freedom amounts to money worship, hedonism, and extreme individualism. China serves as a counterpoint to all that is corrupt and weak about the United States.]

Recently we promoted broad-scale education in patriotism activities, and these have achieved an obvious success. Especially since the disastrous Wenzhou earthquake of 2008,¹ the Beijing Olympics, the response to the financial scare, and the celebration of the 60th anniversary of the founding of New China, China has received an education that is both broad and profound. People have applauded the efforts of Chinese overseas to

¹ The reference is to a powerful earthquake in western China on 23 May 2008, with its epicenter in Wenzhou, Sichuan.

protect the sacred Olympic torch on its route to China, the opposition to the disrespectful words about China on CNN,² and the patriotic activities involving rescue work after the earthquake. Socialist China is good; the Communist Party of China is good; China's reform and opening are good; being Chinese is something to be proud of: all of this has gradually become part of the common understanding. This is a real education: those with ears can hear and those with eyes can see. We have our own experience and we can make comparisons. We can read the "texts"; we can feel out the situation out. The main "teacher" is China's experience of practice over the past 60 years and especially over the 30 years since reform and opening. This includes the experience of walking a twisting road and later discovering the correct road. But it is worth pointing out that in the education in patriotism undergone by the Chinese people, the West, most representatively the United States, has served as a volunteer teacher.

China's Education in Patriotism Has Been Sent to America

This idea in my head has formed itself and become clarified in various speaking venues, especially since 1993. In March of that year I went to the United States on an inspection trip in my capacity as Vice Minister of Broadcasting. In Los Angeles I visited Hollywood; and in New York, Washington, and San Francisco I came to understand the institutions concerned with movies and television. Probably because of my studies and my past experience as a news reporter, I subconsciously formed ideas concerning social phenomena and social systems. A few words in New York from the wife of a student from Shanghai had a profound influence on me. After living in America for two years she was pestering her husband to go back home with her. She said to me in an agitated

² On 9 April 2008 CNN commentator Jack Cafferty called the Chinese leadership a "bunch of thugs and goons."

manner, “Before coming to America, from what I heard, 95 percent of Chinese people said that America is good and praised my going to America. But after coming to the United States, 95 percent of the Chinese people I met here said that China is good, but for various individual reasons they could not go back.” Six months later, on a trip to Shanghai I talked about this with friends in the movie business. Someone suddenly blurted out, “We have a saying: a good way to implement education in patriotism and education in socialism among China’s youth is to send them to America.” At that time I was dumbfounded, but I continued to think about it.

At the time I responded in this way: There is a major background and a minor background. The major background is the tragic collapse of the Soviet Union and Eastern Europe. Without doubt this was a consequence of the American and western plot to promote “westernization” and division. I deeply understand and respect the rationale for the people of the various countries making the choices that they did, but deeply regret the extinction of the flame of socialism in the Soviet Union and Eastern Europe. The minor background was the political storm during the spring and summer of 1989. At that time I was working for the Party committee of the Tibetan Autonomous Region. Disturbances in Lhasa resulted in martial law from 8 March on, so we paid extra attention to the political storm on the outside. On the evening of 19 May the Party committee convened a meeting of cadres from the various departments and Lhasa municipality. In my speech, in addition to reiterating the Central theme of “stability trumps everything else,” I also stressed the reasons for the martial law. It imposes limitations, in a particular area and for a particular period of time, on the freedoms and rights given to the people by the Constitution. My purpose was to tell the people there should not be street demonstrations

similar to those being held in Beijing. After the meeting I went back to the dorm and, as usual, turned on the television. On the screen were the words, “Breaking News.” I continued to wait to see what it was, until 11:30. I approved of Beijing’s imposing martial law, but lots of other things were going on in my heart. Later four things caused me to think deeply: 1. The next day a comrade said to me, “Imposing martial law was not the best thing to do.” But he didn’t say what would have been the best thing. I said to him, “Whether it was the best thing to do or not, it was the only thing to do.” 2. The United States and other western countries imposed unreasonable sanctions against us. 3. Comrade Xiaoping said that this political storm was a result of the international climate and of the domestic climate. It was going to come sooner or later, and it was better that it came sooner. 4. The President of the United States sent special envoys to explain to Comrade Xiaoping that the sanctions were not as severe as implied in the news media and that they hoped that China would provide them an occasion to remove the sanctions. Comrade Xiaoping sternly criticized the west. One, they don’t understand that the CPC rules together with the broad popular masses. It has undergone a protracted and bitter revolutionary struggle and therefore has a firm mass base. Two, they don’t understand that Chinese don’t fear pressure. The greater the pressure, the more united they become, the better able they become to develop their strength, courage, and wisdom.

Since the establishment of New China at the end of the fifth decade of the twentieth century, China has upheld the principles of independent autonomy and self-reliance. But it also chose in foreign policy to “lean to one side,” toward the Soviet Union; therefore, the Chinese people have more respect for their Soviet “big brothers” than for anyone else in the world. But the United States participated in the eight-nation united force to attack

China³ and, after the victory in the War of Resistance, supported Chiang Kai-shek in the civil war. When New China was established the Chinese government expressed a willingness to establish diplomatic relations. But the United States continued to maintain “diplomatic relations” with the reactionary Chiang Kai-shek regime, imposing a full-scale blockade on New China. Worst of all, it instigated a war of aggression against North Korea, threatening our security. It committed aggression against our province of Taiwan. The Chinese people have more than enough reason to continue to oppose America.

Later, the Soviet communists could not tolerate the CPC’s opposition to their paternalistic style and turned their faces away from China. The division between the two parties grew into contradictions in the relationship between the two states, leading to great difficulties for China. Basing itself on the needs of the cold war, the United States took the initiative in knocking on China’s door and asking for a better relationship. China had a consistent attitude. We welcomed improved relations but would not give way on issues of core interest, especially concerning the plots of the Americans and other westerners to subvert and overthrow socialist China. We had no illusions on that score.

Later on China reverted to normal after a time of turmoil. The work of the whole country focused on economic construction. At that time we implemented the policy of reform and opening. On this, from the beginning Comrade Xiaoping stressed that China’s reform and opening were a matter of the self-perfection of the socialist system. He clearly pointed out that we must “unite the universal truths of Marxism with the concrete reality

³ An international force was sent to suppress the anti-foreign Boxer rebellion in 1900, since the Chinese government did not seem to be doing anything to defend foreigners. Russia, as well as the United States, were part of this force—but perhaps Russia is not to be equated with the Soviet Union .

of our country, walk our own road, build socialism with a Chinese character.” After this China greatly expanded its foreign exchanges, actively learning how to combine the advanced technology of developed countries with our own experiences of management and control. As we brought in foreign capital and advanced equipment, the western concepts of value came along with them. With the change in the Soviet Union and Eastern Europe the world socialist movement entered a low tide. Not a few Chinese turned admiring eyes toward the west, especially toward the United States. A very small minority even wanted to adopt the “American model.”

In this way, the focal point of China’s education in patriotism became whether to persist in building socialism with Chinese characteristics or to adopt the American model.

Visiting America Leads to a Deeper Understanding of “Walking Our Own Road”

At the end of 1990 I was appointed to manage the movie industry for the State Motion Picture and Broadcasting ministry. I deeply believed that China was a major producer of motion pictures. We have a history of civilization going back 5000 years. In recent times numberless persons of outstanding character had struggled admirably for the independence of the state and the revival of the people. All of this was a rich source for creativity. We also have a market for movies of several hundred million people and a skilled cohort of movie makers of all different ages and generations. At the same time, I realized through inspection that there were lots of problems that had to be resolved through reform and opening. Our equipment and methods of showing were decades old. Our copies of films were worn out through repeated showings in theaters, auditoriums, and in the open air. Because of inefficient controls over distribution and showing the industry was in economic difficulties. Fully one-third of our films were imported, most of

them second-rate or lower quality American movies. The Chinese movie industry was being pushed to contribute to exports. So forth. After the Fourteenth Party Congress [in 1992] I was transferred to control of the promotion of movies to be shown abroad. I worked toward the gradual adaptation of the movie industry to a socialist market economy, but the obstacles were very great.

I spoke of two perspectives after my return from America. First, America was truly well-developed. It had infrastructure in terms of airports, highways, and means of communication as well as scientific know-how and advanced management methods. There were lots of things about their movie industry that were worth our learning from. I visited six of the eight major Hollywood studios. Their common point was that they all had a coordinated production chain reaching from the submission of scripts to the distribution of the movies. They also had a propitious environment for investment and for reviewing the results. I said then that each of their movies had “five layers of skin”: the ability to send copies to all countries of the world; the ability to sell privately to the major hotels in all countries of the world; the ability to manufacture high-quality film and other equipment; the ability to show on the cable systems of all countries in the world; and the ability to be shown by any kind of projector. The Disney Corporation would produce animated features and then have the characters printed on clothing, tableware, watches, so forth; and it also maintained tourist attractions (there were then four Disney theme parks). That trip was a real eye-opener.

But second, Marx had exposed the contradictions in the capitalist system, and these were present in the United States. There were lots of social problems and they were tending to become more intense. In the movies, systematic problems were evident amidst

the prosperity. I had a concrete question concerning the “ratings” in the “film law.” America does not have a “Motion Picture Law,” but rather depends upon a ratings system administered voluntarily by the industry itself. There is a “legal commission” to guarantee that the rules are carried out. I made an investigation of the ratings system, from the filming to the distribution to the showing. I inquired into how this legal commission determines and enforces what rating a film should have, seeking truth from facts. At that time the United States was producing about 400-500 films per year, divided into five categories. The second through the fifth category were what in China we would classify as “unsuitable for children,” and these were 95 percent of the total. The restrictions were based on the age of the audience. I persisted in asking how at the theater they would determine the age of someone purchasing a ticket and what kind of punishment there would be for violating the rules. But there was no “theory” about this. I ran into a stone wall. The meaning was that this had never happened. When I actually went to a movie theater, what I saw was this: there were some children, but not very many; but the problem was that there was no attempt to exercise control. So I should say that while in principle 95 percent of American movies are unsuitable for children, in fact anyone of whatever age is able to see them. I also heard people who were upset about this, but it was after they had bought the ticket and seen the movie. This is probably one of the bases for the prosperity of the film industry in the United States.

While in America I also met with our own personnel stationed there and other Chinese residents, overseas Chinese and Chinese students. From a consideration of legislation concerning movies, the enforcement of that legislation, and the social influence all this had, I went on to discuss the social order. I came to an initial

impression: with the encouragement of American society, Mammonism, individual freedom, and hedonism have been carried out to an extreme degree. I also came to consider two points: When it comes to making money, the only consideration is whether the method is legal or not; and when it comes to any kind of pleasure, if you have the money, the only consideration is whether it is legal or not. Secondly, there is lots of pretty talk about democracy and equality, but the reality is otherwise. At that time Clinton had just taken office. Everyone said he was nothing but the governor of a small state. Not very many people knew about him. He had accumulated a lot of money (that would have to be repaid in the form of favors) to make publicity for himself and get himself elected President. Money is the prerequisite for attaining any sort of office in America, whether large or small. It is said that on the average a Congressman needs six to seven million dollars to get elected. The Congress is a “rich man’s club.”

I came to the conclusion that our reform and opening must eliminate all of those management systems and methods that restrict our economic and social development, but we must also retain everything that is good. We need humbly to learn from all beneficial foreign experiences and methods, but also maintain China’s national character and resist all infections from rotten thinking. We can’t blindly import anything that seems to lead to the making of money without a concern for its social effect. In a word, we need to persist in walking our own road.

The “Westernization” of the Soviet Union and Eastern Europe and the “China Model”

In the 1980s the United States and other western countries intensified their efforts to “westernize” and “divide” the socialist countries. At that time, China, the Soviet Union,

and the East Europeans were all implementing reform and opening. In each country a small number of persons responded to the western summons and in all of these countries there were some who were infatuated with the west. The biggest difference among these countries was the direction taken by the ruling parties and the leadership toward the thought guiding the reform and opening and its response to westernization and division.

Ever since the socialist system first appeared the United States and the west identified it as “evil communism,” and through a thousand ways and a hundred tricks tried to exterminate it. But Lenin and Stalin kept the faith, and with their whole hearts and minds relied upon and led the Soviet people in building socialism. In an extremely unfavorable international environment, especially through two World Wars, they not only defeated the violent attacks of imperialism and fascism but were also able to put together a socialist camp. Despite many errors, the Soviet Union was built into a superpower equal to the United States. Later, with the development of new advanced technology and the spread of globalization, the Communist parties of the Soviet Union and other socialist countries were unable, in different degrees, to avoid a one-sided, dogmatic, rigid understanding of basic Marxist theory. To different degrees in their actual work there were departures from the natural conditions of their own countries and a serious divorce from the popular masses, leading, in different degrees, to economic stagnation and a decline in the standard of living. Because of all this, by the 1980s the popular masses thirsted for reform and opening. The push for economic development and a better life was in accord with feelings and reason. Given the corrupt poison peddled by the United States and other western countries concerning “westernization” and “division” it is in part understandable that some of the popular masses fell victim to unreasonable emotions.

The Soviet leaders did not take the basic welfare of the people as their starting point. They did not reflect upon the theoretical and practical problems in their own party building and governance and make gradual improvements by relying on the broad popular masses. Rather, they turned away completely from faith in socialism. [Mikhail] Gorbachev's "new thinking" actually served to overthrow the "revival" of the socialist system. The result was that they became vulnerable to the United States and other western countries. Beginning in June 1989 there were dramatic changes in Poland and other eastern European states, and in 1991 the Soviet Union was dismembered. The socialist system in these countries had been overthrown. The big shots in the United States and other western countries were deliriously happy, publishing all kinds of books. Former US President [Richard] Nixon published *1999: Victory Without War*. Former US National Security advisor [Zbigniew] Brzezinski published *The Grand Failure*. In *The Grand Failure* a comparison of the socialist and capitalist systems acknowledged that China's development was better than India's, but still maintained that by the end of the 20th century the socialist system was a thorough failure. The western scholar Francis Fukuyama declared in *The End of History*: "The victory of the west and of western concepts is glaringly obvious. There basically is no ideological system that can take the place of western liberalism. Therefore, no matter what, the world will become increasingly 'westernized.'"

Over the past twenty years the United States has come from proclaiming the triumph of westernization to a gradual reconsideration. Some people in eastern Europe and the Soviet area came to realize the emptiness of the dream of westernization and reconsidered their image of America. China persisted in walking its own road. The road

was uneven, but China could not forego the uniquely beautiful scenery on it. The persuasiveness of this kind of education in patriotism and socialism goes without saying. On this, I'd like to quote from western commentaries. In a column in the English *Guardian* in November 2009, the famous columnist Seamus Milne noted: "[The collapse of the Soviet Union] has made it clear that there is now an open road for another superpower, the United States, as seen in the Gulf War, the Yugoslavia war, and the invasion of Iraq." In *The Second Crisis*, published in 2007, Brzezinski explained the reasons why political tendencies had become unfavorable to the United States. The enmity by the Islamic countries toward the United States has increased, the Middle East is in chaos, Iran looms large in the Persian Gulf, Pakistan has developed into a weak nuclear power, European development is weak and uneven, Russia is resentful and distrustful of America, China is moving to build a common system throughout east Asia, Japan is increasingly isolated in Asia, there is a high tide of anti-Americanism in Latin America, the structure of non-proliferation has collapsed. "America has discovered itself to be in a thoroughly hostile world. It is an isolated and fearful democracy."

Concerning the Soviet Union and Eastern Europe, Milne's column noted: "After exposure to the shock therapy of the free market, the process of privatization led to large-scale plunder, an obvious intensification of inequality, with hundreds of thousands of people falling into poverty and unemployment. The unification of Germany amounted in practice to the swallowing up of the east. The greater part of East German industry was broken up or closed down. There was a political purge of more than a million teachers and white collar workers. Women lost their rights. Free nursery schools were shut down; the unemployment rate soared. After 20 years, the unemployment rate in the east remains

twice that of the west.” “Conditions in eastern Germany are better than those elsewhere in eastern Europe.” Milne said: “As for now, after a decade of extremely uneven recovery, the east has once more fallen into a grave crisis as a result of difficulties in the west itself. There has been an explosion of racial violence and the salaries of public servant have been cut by 40 percent.” “Even relatively young people deny that the former East Germany was a dictatorship. Only 20 percent of Hungarians think their country is better off now than it was before 1989. Eleven percent of Bulgarians think the change benefited the ordinary person. Most Russians and Ukrainians are nostalgic for the Soviet Union.”

Not a few of those intellectuals who first welcome the transformation now have regrets. The Russian people regard Gorbachev as “stinking dog shit.” [Boris] Yeltsin was unwilling to be the Americans’ “little brother” and adjusted the country’s domestic and foreign policies. [Eduard] Shevardnadze came to no good end.

Contrary to what lots of people, especially Americans and other westerners, expected, China successfully pacified the political storm of the spring of 1989. Reform and opening and modernization not only did not come to a halt, but rather continued to advance along the road of socialism with Chinese characteristics. Since 2008, as a consequence of 30 years of reform and opening and 60 years of development, New China has successfully overcome the world financial crisis. This is reflected in many ways in world opinion. The evaluation by western media, academics, and politicians is unprecedentedly high. A new term appears with fairly high frequency: the “China model.” I don’t particularly approve of this usage, but this is something not heard before in recent times.

According to media analysis, the main models for development since the Second World War have been the Soviet model and the western model (or the American model). With the end of the Cold War, only the American model was left. The “China model” is a concept developed in recent years by western scholars. Western countries and developing countries have different attitudes toward it. Developing countries look at the practice of China’s reform and opening. The rights obtained by the Chinese people, including political rights, are greater by far than those peoples who simply imported western democratic methods (whether these were taken on voluntarily or were forced upon them). Those developing countries that followed the western model to economic development received neither social stability nor an improvement in living conditions. Therefore, the “China model” has great significance for developing countries. They wonder whether the China model can replace those models they have followed in the past. Americans and other westerners perceive the China model as a challenge and a rival to western concepts of value. They worry not only about the growing interest in China among developing countries, but also that those in the west who have lost interest in the western model will begin to turn instead to the China model.

I have read the essay “Understanding China” by the English scholar Martin Jacques. He believes it is highly improbable that as China rises it will choose a developmental path based upon that of the west. At the same time, he warns the west not to measure China by the west’s own standards. He writes: “In the forty and more years since Nixon and Mao Zedong shook hands and held a conversation, after all the many twists and turns in the Sino-American relationship it is generally considered that China will eventually change to become more like us . . . This kind of arrogance leads to serious pitfalls.”

“Facts prove that one by one each of our expectations concerning China has been mistaken. We thought that after 1989 the CPC would be overthrown; China would fall apart; its economic growth could not be sustained; the statistics concerning growth had been exaggerated; China’s policy toward Hong Kong of ‘one country, two systems’ was insincere. We have a long record of mistaken understandings about China.”

America’s War on Terror and “People’s War”

America’s practice in the war on terror has profound lessons for China’s concept of people’s war. After the Second World War, the wars instigated by the United States left this impression on the Chinese people: “The strong can’t beat the weak; those who provoke war will fail.” After the September 11 incident, the Chinese were against America’s starting a war with Iraq, but there was a bit of understanding for the war in Afghanistan. But what has happened in the eight years of America’s war on terror? The general theory is that the more one opposes terror, the more terror there is. I don’t intend to discuss this in terms of cause and effect; but I do have the sense that terrorist attacks throughout the world have become more numerous after September 11 than they were before. Up to now we don’t see many results of the two wars started by the United States. This inevitably is something that the Chinese will ponder deeply.

Right after the September 11 incident some Chinese had this sense: The United States has the world’s best developed network for intelligence collection, for its organization and deployment, for its techniques of analysis. The world’s most advanced weapons are in the hands of the United States. Yet airplanes were able to take off from different air fields and were able to hit targets relatively distant from each other. It is hard to believe that the United States government did not have some kind of advance knowledge of this.

Today some people take this kind of analysis further: The September 11 attacks had been so well-prepared that they could not possibly have been the work simply of various individuals, nor could the planning have been completed within a short time. So how come nothing was reported by Americans who were in the know? Naturally one cannot reject the possibility that some people did not realize the seriousness of the indications, but the main possibility is that people did not regard these various hints and traces as something having to do with their personal advantage.

Ah, but—in China, when there is a war, it's because the well-being of the people does not allow for the war's not being fought. Therefore, it is necessary to mobilize the participation by the entire people and assure that there is a complete identity of interests between the military and the people. But how has America behaved in its two wars? At present one can see four points: 1. Dependence upon advanced technical means to achieve “decapitation” of the enemy (sudden attack, disruption of the command system, occupation of the capital); 2. Occupation of the major cities (so there is no penetration of the countryside and mountainous areas, even less an occupation of these places); 3. The appointment of an “elite” government (regardless of whether it has popular support or administrative experience; the main thing is that it is pro-American and is willing to accept western instruction); 4. Small attention to reconstruction (so that the livelihood of the popular masses becomes increasingly harsh). The result is that the American military becomes an army of occupation with control of the seas and the air but no way to control the anti-war masses on the ground. No matter how well-equipped a military force may be, it can't prevent suicide bombers. Over the past eight years the United States has undertaken attacks and military occupations. With what result? They have not found bin-

Laden or the main leaders of al-Qaeda, while they have mercilessly slaughtered endless numbers of ordinary people. While American military attacks have continued without end, the Americans are unable to defend themselves and casualties have mounted steadily. Local anti-American armed resistance spreads like wild fire in the spring winds, supplied with men, money, and materiel by the common people from the rural areas that the United States ignores. The American war on terror increasingly fails to win people's hearts.

International public opinion concerning the Iraq war has held from the beginning that the United States was attempting to implement a "greater Middle Eastern strategy" under the cover of the war on terror. The goal was to establish a "model" of American values in the Islamic world in order to control the petroleum resources of that region. It is said that the first thing the American military did after the occupation of Baghdad was to privatize the Iraqi petroleum industry in order to provide the most beneficial conditions for the petrodollar.

International society universally opposed the American war in Iraq. The relevant agencies of the United Nations clearly reported that there was no proof that Iraq had weapons of mass destruction or that there was any organizational connection between Saddam and al-Qaeda. The Security Council passed a resolution vetoing the American action, but the United States ignored it. Within the United States there were from the outset voices in opposition. Later on there were mass demonstrations against the war, but the American government continued to pay them no attention. This is because the United States had formulated its Greater Middle Eastern strategy in the aftermath of the cold war, and the war on terror was a mere pretext. In a speech to the American Enterprise

Institute on 2 February 2003, US President Bush said that change in the “Greater Middle East” must come by way of Baghdad, because a “new Iraqi government will serve an effective and inspirational model of the establishment of freedom for the other states in the region.” Therefore, America’s “opposition to terror” in Iraq served to expose its imperialist nature and lost the hearts of people both internationally and domestically.

This has often led me to think about two of Mao Zedong’s speeches concerning war. In May 1951 he spoke at the Alumni Reunion of the Hunan First Provincial Normal School. He joyfully told them how the People’s Volunteers were going from victory to victory in Korea. “The weapons of our Armed People’s Volunteers are far inferior to those of the Americans, yet the Volunteers are often able completely to rout the American imperialists. We don’t even have very many cannons and we have even fewer airplanes at the front lines. But we often win our battles . . . Why is this? It is for no other reason, it is because our Volunteers are reformed peasants and workers. This war is to defend Korea against aggression; it is a war to defend our own country and security . . . Therefore they are bold in battle and dare to sacrifice their lives. We may say that the War to Resist America and Defend Korea is a qualitative war, one which no weapons can prevail against.” Another occasion was in the 1960s when the leaders of the wars for national independence in Vietnam and Algeria visited China and raised some questions with Mao Zedong. They said: Chairman, your military works have been translated into English and have become text books at West Point. What will happen if they apply the Chairman’s military thinking against the Wars of National Liberation?” Mao Zedong laughed and said, “The theory and practice of People’s War that I talk about is not something that can be used against a people’s war.”

Times have changed; weaponry has changed; the nature of war is not quite the same as it was before. But the guiding concepts of war have not changed and the results are about the same. Developing weaponry while not keeping to people's war is something vain.

The Financial Tsunami and the Socialist Market Economy

The American financial crisis began to appear from the fall of 2007. The direct cause was the crisis of defaults on housing loans. In the fall of 2008 there was the financial storm on Wall Street. Five of America's largest investment banks went bankrupt; 19 commercial banks closed their doors; AIG, the world's largest insurance company, was taken over by the government . . . The long-term root cause was the severe eruption of a systematic series of contradictions in the American capitalist system. The American government immediately took action, cheating itself while cheating others. On 29 September President Bush made a speech on television: "The blame for America's current financial crisis is the large inflow of foreign investment into the United States, not the greed of American lenders and borrowers." The Secretary of the Treasury followed up in an article in the *Financial Times*: "The rise of China and other emerging economies has created economic imbalances in the world, and they bear some of the responsibility for the outbreak of the world financial crisis." But that kind of power-logic had already lost its magic. A former strong proponent of American "neoliberalism," the Japanese scholar Nakatani Iwao, in his 2008 work, *Why Is Capitalism Destroying Itself?*, admitted: "I have thought things over honestly, and what I have believed up to now has been false." He went on to say that capitalism was the ideology of the interests of those who greedily pursue the accumulation of capital. He said that the special characteristic of American

society was toleration for covetous expansion and absolute individualism. “American-led globalization has already begun to self-destruct.”

Nakatani is a famous Japanese scholar. He got a PhD at America’s Harvard in the 1970s. He became a university professor after returning to Japan. His books serve as texts in many Japanese economics classes. He has served in the Japanese cabinet. In the 1990s he promoted the “Americanization of Japan.” So his sudden conversion caused a great stir in Japan. My own response is also very strong, but it is not to his ideas but rather as further evidence that practice is indeed the criterion of truth.

The rapid development of high technology and economic globalization are the main characteristics of economic development since the Second World War. Economic strength and technological strength were concentrated in the United States and grasping this occasion led to great economic growth. The problem came from the thoroughgoing privatization inherent in the capitalist system. Everything was a matter of the market, everything was liberalized, and the government was not allowed to intervene. It encouraged people to make money and to consume beyond their means without regard to the future. There was a special loss of control over finance, with no restraints on greed for financial gain.

The credit industry in the United States began to grow in the 1970s, but by the 1980s was showing signs of a bubble. Why is this? Americans wanted to use real estate as collateral. But many of those who wanted to buy houses could not meet the banks’ criteria for getting a loan. What to do? In order to give full scope to the market, the relevant American agencies eliminated certain rules regulating financial transactions. The subprime mortgage system thus came to be. With continued declines in interest rates and

the lowering of reserve requirements, great numbers of consumers bought houses with subprime mortgages. Financial institutions took advantage of the situation to push for greater mobility of financial capital, carrying out “creative financing” without control or limitation. Through the bundling and transfer of subprime mortgages, financial capital became a commodity traded in the markets. Because of all this the American real estate industry developed rapidly, forming a bubble. The Federal Reserve continually adjusted interest rates, allowing those holding subprime mortgages to borrow even more. Housing prices surged, creating large amounts of bad debts for banks. The financial crisis exploded with the exposure of inaccurate information from credit rating agencies. Various financial instruments could no longer find buyers, precipitating a series of bad loans. Borrowers had lower access to liquid capital and were no longer able to pay their debts. Some institutions were even unable to pay the salaries of their employees. They cut back on personnel, precipitating an economic crisis. Increasing the burden on America, the banks of various countries began to sell off American securities. At the same time the United States used the leading role of the dollar to shift the burden to others. The crisis spread to the financial and economic systems of the entire world. There was not a single country that did not come under attack. Entire countries were pushed to the verge of bankruptcy. That’s why this is called a financial tsunami.

A Chinese specialist says: “This crisis has smashed the myth that the ‘American financial market is the most mature market; that its regulatory system is the healthiest; that its legal system is the most nearly perfect.’” Columbia University Professor and Nobel Prize in Economics winner [Joseph] Stiglitz believes that the current financial and economic crisis has confounded the theory and practice of the Washington consensus.

“The world has lost hope in the American model of capitalism. The ideology that we promote has lost its former luster.”

The Chinese economy has also without doubt been severely affected by the financial tsunami, but the Chinese government has consistently combined the excellence of the socialist system with the positive function of the market economy. It was able not only to sustain the stability of the financial system but was also able rapidly to take effective economic measures to guarantee the people’s livelihood and social stability, arousing the admiration of the people of the world. The linking of 30 years of China’s reform and opening with the maintenance of social stability is universally regarded by the people of the world as a miracle. Therefore, more and more people are coming to a general consensus about China’s socialist market economy. Relevant departments have examined material pertaining to public opinion and have shown: inclinations to put the experience of particular countries together with China’s national conditions and to explore those roads to development that fit with China’s national conditions; inclinations to implement a socialist market economy—to make use of the market to determine the distribution of resources without loosening government controls; to coordinate opening to the outside with self-reliance, to participate in globalization while also maintaining our own autonomy; to implement reforms gradually and constantly improve ourselves; correctly handle the relationship among reform, development, and stability, sustaining growth together with stability; coordinate China’s development with the development of the world, continuously searching for points in common with the interests of all other countries. So forth.

China's contemporary education in patriotism has taken place in the midst of reform and opening. It has involved the cooperation and competition among different forces and all kinds of paths to development. After the experience of the financial tsunami Chinese people have gone a step further in strengthening their self-confidence and have developed a clearer self-awareness. China is gradually becoming stronger, but it remains a developing country. We will be in the initial stage of socialism for a long time and we need to concentrate our efforts on self-development. China does not draw an ideological line in its handling of foreign policy, but it opposes "westernization" and "separatism," and will never loosen that particular silver string. The countries of the world are of endless variety and this means there can never be a single model of development. Each country must choose a method suited to its own conditions. Democracy and autocracy are both methods of rule for achieving economic and social development. There are autocratic capitalists and democratic socialists. All the different roads to development must develop and reflect the varied experiences of the different countries in their endless search for perfection. No country can make those choices for another; even less should one country for whatever reason or style force its own model of development on another.

What is even more important, the Chinese have gone a step further in understanding the deep significance of the main conclusion of the 17th Party Congress: "Ever since reform and opening the basic reasons for our successes and progress has been, in sum: we have opened up the road to socialism with Chinese characteristics, forming a theoretical system of socialism with Chinese characteristics." That "road" and "theoretical system" constitute the great banner of socialism with Chinese characteristics. That banner will

continue bravely to lead us forward along the road of China's reform and opening and of socialist modernization.

Xin Hua Wenzhai, 5 July 2010