

China: July 2-10, 2002

Patsy and I flew from Chicago to Denver to San Francisco to Shanghai, arriving in Shanghai at 10 in the evening of July 3, having set out from home at 4:30 a.m., July 2--a journey of nearly 30 hours. Some excitement along the way. An hour out of San Francisco the pilot announced that we were experiencing trouble with one engine, and would have to dump our fuel (200,000 lbs) and return to San Francisco--which we did. We were told not to worry if we saw fire engines and emergency vehicles standing by. All went smoothly. We were given dinner coupons, and a new plane, which set out about five hours later than our first departure.

We'd been told to just take a cab to our hotel, which was only a few minutes from Pudong Airport. We had only the pinyan spelling of the hotel name, though, not the characters, so our cab driver was confused. We were taken for a long ride to an elegant hotel--not ours--where, fortunately, there was an English speaking attendant who was able to get us another cab back to the correct hotel, which was, indeed, only minutes from the airport. (An interesting experience, roaring along a highway in a cab, in a totally foreign country, unable to speak even one word of the language, knowing we were going to the wrong place, not knowing where, in fact, we were going.)

As we were checking in, we were met by Ying Yaping, an assistant to the President of Hangzhou University, who had been at the airport to meet us. He and Perry Anderson waited for an hour, but didn't see us. We checked in without difficulty, had a nice breakfast the next day. (The hotel cost 200y per night, the breakfast was 15y each. \$1 = 8y.) We were then met with a van, taking Anderson, Joe Fewsmith, of Boston University, and his (unsmiling) 14-year old daughter to Hangzhou. (Stephanie would go with Joe--a China specialist, fluent in the language, to Shaolin Monastery after the conference for a week's training in the form of kung fu for which the monastery is world famous.) Amiya Bagchi, a personable Indian Marxist from Calcutta also joined us, but not Robin Blackburn and his wife, who were not on the plane they were supposed to be on.

We were put up at the Haujiashan Resort, a small, quite nice, sparsely-filled hotel complex. Meals and the entire conference took place there. At dinner--in an adjoining building--the conference organizer Tian Yu Cao (re)introduced himself. Nancy Fraser had introduced Tian to me in Chicago, back in 1988 or 89. I'd met him again in Boston, in the summer of 1990, in conjunction with a conference on the Future of China, at Harvard, at which I'd given a paper.

Tian's story is remarkable. He was arrested in 1964, in China, where, still a student, he'd published an article calling for a Marxist humanism. He spent the next 8 years in jail, then another 5 under house arrest (thereby missing the Cultural Revolution--probably fortunate for him). Upon his release he met Lin Chun. They were married and had a daughter--who is now 20 years old and attending the University of Chicago). They decided to leave China. Tian went to Cambridge University, taught himself physics, secured an appointment at a research center at MIT, then landed a job at Boston University as a philosopher of science. Lin Chun is currently tenured at the London School of Economics.

Although the Boston University Philosophy Dept is officially a co-sponsor of the conference, the university contributed nothing. Tian and Chun did all the work of preparation, starting two years ago. Hangzhou University of Commerce picked up the tab for local arrangements. Joe Fewsmith got himself invited to the conference by promising (and securing) a small grant that helped pay the travel expenses of Bagchi and some of the Chinese participants. For Tian, the conference was a selfless attempt on his part to have an influence on his ex-homeland, to which he devoted an amazing amount of time and energy.

It was quite a conference. The participants were:

From abroad (in addition to Tian):

Samir Amin, Third World Forum, Dakar, Senegal

Perry Anderson, UCLA History Dept, and editor of New Left Review

Robin Blackburn, University of Essex, Sociology, and on the editorial committee of NLR

Amiya Bagchi, Center for the Study of the Social Sciences, Calcutta

Joseph Fewsmith, Political Science, Boston University

Qu Wanwen, Deputy Director of the Taiwan Central Institute of Economics

Cui Zhiyuan, Institute of East Indian Studies, Singaporean National University

Three very distinguished, now retired, governmental officials:

Du Runsheng, Former Director of the Research Institute of Central Agricultural Reform (and chief architect of the hugely successful agricultural reform begun in 1978).

Yu Guangyuan, Former Vice-President of the Chinese Academy of Social Sciences,
economist/philosopher

Zhu Houze, Former Minister of Propaganda

Mainland Chinese paper presenters:

Qin Hui, Professor at Qinhua University, Beijing

Wang Hui, Professor at the Chinese Academy of Social Sciences, and editor of the influential journal, Readings.

Wen Tiejun, Chief Editor of the journal, China's Reform, and member of CASS

Hu Zugang, President of Hangzhou University of Commerce

Also attending, but not giving papers (in addition to Lin Chun)

Luo Weidong, Professor of Zhejiang University, Hangzhou

Zhang Renshou, Vice-President of Hangzhou University of Commerce

Lu Fuxin, Professor of Hangzhou U. of Commerce.

Li Chunguang, Professor at China's Central Music Academy

Zheng Zhongbing, Research Fellow, Chinese Writers' Association

Last but far from least, our two wonderful translators,

Zhong Xueping, German/Russian/Asian Studies, and Women's Studies, Tufts
Ye Weili, Professor of History, Boston University

The conference got off to a rousing start. Tian delivered some opening remarks, "Modernization, Globalization, and China's Path," which--he had said to me the night before--were largely based on my ideas. Perhaps they were. They were certainly consonant with them. Tian favors a form of market socialism, a "humanist socialism," which he calls "economic democracy." He is worried about China's present course, despite its undeniable accomplishments. He is worried that workers and peasants will be left out of the next stage of China's development. He concluded his address by noting that the conference volume will be published in September, and offered as a gift to the Party's 16th Congress.

Du Runsheng spoke next. Although in his 80s, he seemed quite sharp, and wholly in command of his material. (Indeed, throughout the conference he had aides taking notes, which, because he is hard of hearing, they would frequently show him.) Du claimed that China faced four tasks:

- 1) Perfecting socialism.
- 2) Building a market system than can be regulated.
- 3) Solving the problem of property rights.
- 4) Promoting constitutional democracy.

He criticized China's first efforts at economic restructuring as using a Stalinist model. He praised Deng Xiaoping's conception of socialism as meaning a) development, b) an absence of class polarization, and c) an economy that works for the good for all. He argued that China is in a preliminary stage of socialism, a mixed economy that works pretty well. The agricultural reforms, for example, has the state holding ownership rights to the land, rather than "privatization," to keep land ownership from becoming concentrated. It is now allowed, however, that land can be mortgaged, and can be transferred to heirs.

In China the plots remain small. Du thinks that many people will gradually leave the land, allowing plots to become larger--although not larger than 2 acres/person. By 2050 he thinks China will be 60-70% urban, whereas today it is 66% rural. At present, China's per capita income is only \$900; there are some 90 million peasants living on less than \$1/day. Peasant income is low, he said, mainly because of inelasticity of grain demand.

He thinks the "agricultural chain" should be lengthened, to integrate processing and sales, that cooperatives should be promoted, and that small tractors, biotechnology, and other technical advancements can be used to enhance agricultural productivity.

He believes that Chinese agriculture, nonetheless, is close to its environmentally sustainable limit--and is 5% short of self-sufficiency in grain production. Hence the need for trade, since

"importing grain is importing land." This is a "win-win" situation, he says, for China and for the US, Canada and Australia.

Du favors a shareholder cooperative system, which is the form most township industries have now taken. In some cases, however, these have been wholly privatized.

Du was sharply critical of Mao--as were a number of the other participants. Mao, says Du, saw himself as a cross between Marx and the 1st Chinese emperor. China needs to develop a constitutional democracy, with elections, freedom of speech, checks and balances.

He is not particularly worried about China's joining the WTO. There will be opportunities as well as challenges, but whatever problems China faces, he says, they can't be compared to the much greater problems of the past.

All in all, an impressive presentation, Du saying pretty much what I hoped he would say--although he is perhaps too sanguine about the WTO.

Then came Samir Amin, who made a strong presentation. He introduced himself as a communist, and addressed "comrade Du." The fundamental question, he says, is how to maintain national independence and progressive social transformation. This cannot be done by integrating one's country with global capitalism. Globalization, he maintains, is a new stage of imperialism, and it is a fundamental illusion to think that if one is clever enough, one can become a fully developed bourgeois nation. One cannot be (truly) nationalist without being socialist.

It is crucial, he thinks, to distinguish between "efficiency"--which, at the national level, is good, and "competitiveness"--which is not necessarily so. (Genuine efficiency entails, among other things, not wasting human resources through unemployment. Competitiveness often does precisely that.)

Amin sees market socialism as a combination of contradictory tendencies, which might, if properly handled, lead to full socialism. In China, today, however, it is not being handled properly. Significantly more planning is needed, and of a different sort than the social/macro planning of social democracy. This planning is necessary so as to minimize personal and regional inequalities and to allow China to be the master of its fate in relation to the outside world.

Amin then asked Du directly about the WTO. Of the 6 billion people on earth today, he said, 3 billion are peasants. Yet modern (capitalist) agriculture--as promoted by the WTO-- requires only 50 million farmers. Where will these nearly 3b excess laborers go? Even at 7% growth per year--a very high rate--they can't possibly be absorbed. To have free trade in agriculture, we must kill 3 billion people.

Amin remains optimistic because a) the people of Africa and Asia will not accept this, and b) the U.S. will cheat on its commitment to "free trade," and thus discredit the process.

Du's rejoinder was that the WTO benefits are larger than the costs, that the tariff reductions are being phased in, and that China can help rewrite the rules if its part of the organization.

Wen Tiejun argued that China imported significantly more grain during an 18 month period, 1995-96, than the current WTO quota, without serious consequences. It is true, however, that China's massive imports caused grain prices worldwide to rise, thus hurting other poor countries, and at the same time kept prices low in China, thus hurting the peasants. Thus the results were positive for the state, negative for rural people.

Qin Hui argued that the Chinese are well aware of shantytowns in other poor countries, but that there are none in China. He argues that China does not support its peasants now, nor did it before. To solve the problem, the Chinese peasants must be given full citizenship.

Bagchi pointed out that the G7 countries provide massive subsidies to their farmers. When the price of cotton dropped 60%, American cotton farmers were fine--but several hundred Indian cotton farmers committed suicide.

To both Du's and Qin's question, if the WTO is so bad, why to almost all countries want to join?, Amin responded that they are under the illusion that they can shape the rules of the game, but as Doha showed, the U.S. won't hesitate to use political blackmail to get its way.

Thus ended the morning session. My adrenalin was running high. The presentations had been excellent. Major issues had been raised.

The afternoon session focused on three Chinese presentations. Translation problems made them rather difficult to assess, although a reading of their papers afterwards has clarified them greatly, and shown them to be quite significant--and not at all upbeat. Not at all like Du Runsheng's presentation.

Wen Tiejun discussed the rural problem from an historical and experiential perspective--not from "grand theories in books." His paper opens with an arresting juxtaposition: "China's problem is peasants. The peasants' problem is land"--these were last century's old words. Now they have been changed to: 'China's problem is peasants. Peasants' problem is employment.'" He concludes his paper with two alternative policy suggestions: China should first try "labor intensive development," channeling labor power into infrastructure projects, even if this means slowing down the pace of growth and using inferior technology, and should give up the "dual system" (whereby peasants do not have freedom of movement) at least with regard to small cities, counties and townships, so that people can find other employment. If these policies proves insufficient, China should try an innovative "non-market" system that equalizes property and profits, and should foster peasant cooperatives that can take advantage of economies of scale.

In his oral presentation, Wen noted that China's demand for both oil and water, if it follows the traditional developmental, urbanization model, is unsustainable. Wen claims that China is no longer socialist in the countryside, and that the household responsibility system was a return to tradition. He also claims that China is now a capital-surplus country and that the interests of the state are now the interests of finance capital.

Qin Hui's oral presentation caused me to think of him as a neoliberal. He seemed to be denigrating the success of the Chinese reform strategy, as compared to that of Russia and Eastern Europe, by arguing that there was such chaos during the Cultural Revolution that anything would have worked. In particular the peasants gained by the reforms, since they had nothing to lose.

I see on reading his paper that I had pegged him wrong. Qin is not at all happy with the neoliberal agenda--at least not as it is being implemented in China. In particular, he is distressed by the rapid privatization of the collective township property, and the method of "defined privatization" which effectively hands over state assets to managers, who pay nothing for them. This method is even cruder than what went on in Eastern Europe. "To call the Central and Eastern European model capitalist and radical, and the Chinese model socialist and incremental is rather simplistic."

In China "privatization"--in fact, even if the word is not used--has proceeded via the iron fist, he says. China is not at all on the road to social democracy--which historically has been based on labor unions and parliamentary democracy. Class divisions are being added to pre-existing social divisions, and the gap between urban and rural incomes and services is ever widening. The Chinese stock market gives stockholders no control, nor do they receive any dividends. The stock market merely generates funds for state enterprises, and allows stockholders to speculate.

Qin argues that oligarchism can only lead to populist turmoil, which will produce an even worse despotism. China needs a constitutional democracy to protect public property as well as private property. He concludes, "When ordinary people come to realize that their share of the capital has been stolen, who can guarantee the ensuing problems can be solved with a handshake?"

Wang Hui's presentation was even more difficult for me to follow. Having read his paper, I now know why. His paper, "The 1989 Social Movement and the Historical Origins of Neo-Liberalism in China," is beautifully written (and translated), richly documented, and exceedingly provocative--so provocative in fact that he was forbidden at the last moment to read it. In fact, the conference was nearly canceled because of it. So his oral presentation was deliberately vague and abstract.

This I learned from Tian after the conference was over. There was an emergency meeting the night before the conference began. It was proposed that the conference be canceled, and the participants be taken on a tour instead. It was proposed that papers be read only, and no discussion allowed. It was suggested that Hangzhou University could be destroyed by the conference. Tian stood his ground, agreed to take full responsibility, talked to all the Chinese participants in advance--foreigners could say whatever they liked; it was the Chinese participants

the authorities were worried about--and persuaded Wang to give a different presentation. The most significant restriction: there should be no mention of June 4, i.e., Tianamen Square, 1989. Wang's paper was precisely about understanding June 4. His basic thesis is that the urban reforms set in motion in 1984, following the quite successful rural reforms of the preceding six years, were far more problematic than the rural reforms, and resulted in increasing social tension: corruption, increasing unemployment, a lessening of the social security of workers, increasing inequality. As a result, the student movement--with a rather different agenda (free speech, democracy)--became a social movement affecting all strata of the urban population, including many Party members. (Peasants played no role in this movement, says Wang, nor were they given any thought.)

Three years of repression--and an economic slowdown--followed June 4, but all the "reforms" that brought about these tensions were resumed, so that the situation is now even worse than before--and less tractable, given the increasing discontent in the countryside, and the pressures brought about by globalization.

Neoliberalism has emerged as the dominant ideology in most intellectual and policy-making circles, the older socialist ideology now completely discarded, except in rhetoric. Neoliberalism provides "basic direction and rationality to state policy, international relations, and the emerging values of the media; it also provides the systematic and ideological premises for certain neoliberal intellectuals to play important, albeit dual roles in domestic and international media (that is, as advocates of State policy and as so-called 'public intellectuals.''" This neoliberal ideology, Wang argues, is attracted to authoritarianism, and is deeply hostile to democratization.

Wang also notes that since 1978 China has abandoned all pretext of allying itself with other Third World countries, and now looks only to the West, especially the U.S. He notes, moreover, that for the generation that grew up after the Cultural Revolution, the only worthwhile knowledge comes from the West. This generation's perspective on globalization pays not the slightest attention to the effects of these forces on the poorer countries of the world.

Taken together, these papers paint a depressing picture--not at all the picture I wanted to see painted, nor thought I saw in Du's morning presentation.

That evening we were all taken into Hangzhou to the Luo Wai Luo restaurant, on the shore of West Lake. This, we were told, is one of the most famous restaurants in China. Richard Nixon dined here during his historic visit in 1972. As we were being seated, Robin Blackburn and his wife Margrit (an archeologist) appeared. They had missed their connection in Paris, had arrived in Shanghai a day late, and had taken the train to Hangzhou. It was sheer luck that they made it to the restaurant. When they called the university, it just so happened that one of the conference organizers, who spoke English, was in the office, and was able to tell them where to go.

Although the restaurant's interior would not be called elegant, the food was truly wonderful. A number of their dishes are famous throughout China, and copied elsewhere, among them "Beggar's Chicken" roasted in paper, and Su Dongpo pork, cooked so that the fat changes texture

completely and melts in your mouth. The dinner concluded with a cake, in honor of Yu Guangyuan's 87th birthday. Then people sang. In groups of one, two or three, the Chinese conference participants would be cajoled to come forth. Many sang songs from the countryside, which they had learned in their youth--when they'd been sent there. For over an hour the singing went on. It was a wonderful evening. (The foreigners were invited to sing too, but we were too shy.)

Saturday morning's session began with a presentation by Yu Guangyuan. It was relatively short, and mostly about the history of the reform movement. (His one page of written remarks opens with, "It is not enough to say that what China suffered in the economic realm from 1957 to 1977 was just stagnation. It was nothing less than a big historic destruction. There is an ancient Chinese saying with rich dialectical wisdom: if you go overboard, what you get is bound to be the opposite of your original intention.") Yu noted that he was one of the first to argue that a market economy was not synonymous with capitalism. He remarked that after 2008 we will speak of political reform in China.

Robin Blackburn then gave a paper on "The Crisis of Anglo-Saxon Economics: Pension Funds and the Need for a New Collectivism." To me the topic of "grey capitalism" is quite interesting: what to make of pension funds, and how might these play a role in a progressive transformation of society. (I've been eagerly awaiting Robin's book on the topic, which, after a long delay, has just come out.) However, I don't think his paper has much relevance to China. A pay-as-you-go, tax-based, pension system is far more transparent and reliable than one based on pension funds, and more in accord with socialist values. Amin and I both argued this point. In any event, there is no question that China will soon face a daunting demographic problem, as the population ages and the effects of the one-child policy are felt.

Joe Fewsmith had not bothered to write a paper for the conference. Instead, he threw some remarks together the night before. He identified himself as being in the mainstream at home, but, to his surprise, in the minority here in his wholehearted support of the WTO. Japan, Korea, Taiwan, Thailand and Malaysia, he said, had demonstrated conclusively the value of free trade. China's problem was nation-building, not the problems critics associate with neoliberalism.

It was a shallow presentation, vigorously challenged by me, Amin, Lin Chun and various others.

Zhu House gave a short presentation, asserting that China needs more dialogue among different interest groups. He thinks finance is too concentrated in China and that China needs to develop a private banking system. I don't know what to make of his presentation.

His paper was more interesting, "On the Process of Socialization in China." Zhu tells the story of a revolution that initially tried to build a "new democratic society," one that balanced public and private interest. But soon it took a different path, trying to "build socialism"--by adopting the Soviet model, collectivizing agriculture, relying on heavy industry, and centralizing authority. This, he says, led to a long period of stagnation, society having lost its vitality, from which China

has only recently emerged. During the last twenty years, there has been an attempt to emancipate society from the state.

However, there remains the possibility of "regression." The state is resisting giving up all control over prices (in the cotton trade, for example), or relaxing the rigid household registration system, which keep peasants from migrating to the cities. What is the way out? "We need to push socialization of ownership, and collectivization and privatization of the economy. . . . We should forego the old forms and allow new creations to grow." "We are socialists," he affirmed. "According to Engels, when the state finally becomes the real representative of the entire society, it makes itself redundant." The need, he argues, is to roll back the power of the state, so as to set society free. "We are not statist. 'State socialism' was the name of Hitler's party. 'State is higher than everything else' was the slogan of Chaing Kaisheck."

Perry Anderson wrote a nice paper, "China and the Mirror of the West," tracing mutual perceptions, but focusing on the fact that, quite unlike the post-war period, when there seemed to be myriad forms of economic organization to choose from or adapt--American, European and Japanese models of capitalism, Soviet socialism--currently one economic model is hegemonic, and this model--that of the U.S.--seems to have captured the imagination of Chinese intellectuals and policy-makers. This, he thinks, is unfortunate, for what China needs is a combination of socialism and liberalism.

Instead of presenting an overview of his paper, as most presenters did, Anderson said he wanted only to ask a question. (This would allow more time, he generously remarked, for a discussion in depth of my paper, which was to follow.) Consider four models: 1) market socialism as outlined in Schweickart's paper, 2) actually existing socialism with Chinese characteristics, 3) "clean path" capitalism featuring relatively equal ownership, or 4) actually existing capitalism. Which is most likely to be China's future?

The responses were telling. Zhu said, "most likely capitalism." Du argued for markets, democracy and social justice--which would be a form of socialism. Hu Zuguang said he could see no real difference between such socialism and social democracy (of the European sort). Qin said that the issue wasn't capitalism or socialism, but good socialism vs bad socialism, good capitalism vs bad capitalism. (He had remarked at dinner the night before that China suffered the worst of both worlds.) Samir said that he would choose market socialism, but he thinks the dominant forces in China are pushing for 4). He added that this is a bad choice, since the United States will not allow China to become a dominant capitalist country.

Perry noted that many of the respondents expressed what they hoped would happen, not what they thought would happen.

I'd written a very long paper for the conference, "Ten Theses on Marxism and the Transition to Socialism," which had been translated and distributed in advance. At Tian's suggestion, I confined my presentation to only two of the ten theses, the claim that Marx is essentially right about capitalism, and that, nevertheless, there can be a place for capitalists in a socialist society.

I concluded by arguing the that 21st century could be China's century, but only if China developed an authentic "socialism with Chinese characteristics," and did not attempt the capitalist road. I outlined a set of criteria for determining if China had become capitalist, and made some predictions as to the consequences of that path.

The discussion was lively. Wen Tiejun's comment was perhaps the most salient. "According to your criteria," he said, "China is already capitalist." "I hope not," was all I could reply.

My presentation and the ensuing discussion went well beyond the allotted time, but Tian had assured us all that that was okay.

After dinner Perry Anderson approached me and asked me if I'd had a chance to look at the paper Hu Zuguang had written, which had been distributed to us that afternoon. I hadn't. "You should," he said. "It's the real thing--what's really going on." I went over it that evening, while watching Wimbledon tennis with Patsy. (Yes, the Hangzhou resort TVs had an English language sports channel.)

Sunday morning was the last session of the conference. Perry had told Tian that it would be good to discuss Hu's paper, which was remarkably clear and forthright. Hu, flattered, agreed. His paper was substituted for Luo Weidong's paper.

The session opened with a nice paper by Wan-wen Chu (spelled Qu on the mainland) on "Globalization and Development." She is sharply critical of the WTO, sees economic growth as of paramount importance for LDCs, for which a developmental state--able to discipline capital as well as labor--is essential. She argues that relative equality is important for stable economic growth, and that China's socialist heritage should be used to mold new social welfare and social democratic institutions.

Qu's paper provoked considerable response. Du argued that globalization will certainly benefit rich countries, but that LDCs need not suffer. Globalization, he asserted, has turned battlefields into markets. Samir argued for an alternative globalization, based on the spirit of Porto Allegre. Wang Hui thinks China should look to its rural traditions for additional insights. Yu asserted passionately that China has to join the WTO. "Otherwise she will be punished by history."

Amiya Bagchi's paper was a good, Marxist, overview of India's experience with neoliberalism--a clear warning to the Chinese. He sees a connection between "market fundamentalism" and "religious fundamentalism."

Then came Hu Zuguang's paper, "What Will Be China's Changes in the Tide of Globalization?" Hu argues, approvingly, that state-owned enterprises (SOEs) will exit completely from competitive industries, many being purchased by multinational firms, who have the funds to do so. He argues that the collectively-owned enterprises will become privately owned or shareholding firms. He offers a (simplistic) critique of township and village enterprises (TVEs), and of the innovative share-cooperative enterprises (SCEs) which he sees as only transitional.

(The SCEs were invented in Wenzhou City of Zhejiang Province--of which Hangzhou is the capital--and were quite successful for awhile, and served as a model for other parts of China. In an SCE, shares are distributed more or less evenly among employees, stockholder meetings and employee congresses are combined, and distribution of profits is based on labor as well as shares. By the end of 1995 there were 43,000 such firms in Wenzhou--more than a third of all firms in the urban and rural area. But, says Hu, they are being rapidly sold to managers.)

His paper then takes up the concept of exploitation, arguing that at the macro level, profit is simply a reward for risk, while at the micro-level a kind of Marxian exploitation goes on in all three types of firms (capitalist, SOE and TVE), since all employ at least some wage labor. This, however, can be countered by instituting a minimum wage. Hu then argues that we should stop talking about such exploitation, for it might make foreign investors uneasy, fearful that their holdings might one day be confiscated.

It was decided to hold off discussion of Hu's paper until Cui Zhiyuan made his presentation on "Liberal Socialism and the Future of China: a Petty Bourgeoisie Manifesto." Cui's presentation was high-energy, and seemed at times only semi-serious, although his paper is quite interesting. Cui draws on John Stuart Mill, Proudhon, James Meade, Silvio Gesell and Roberto Unger to argue for a "liberal socialism" based on share-cooperative enterprises as the best option for China. He notes along the way that Anatoly Chubais deliberately prohibited workers in privatized enterprises in Russia from holding their stock in a block so as to avoid the possibility of worker control.

It would have been fun to discuss Cui's paper, but I couldn't let Hu's arguments pass. I jumped into the debate first. I said that Hu's paper was a transparent blueprint for a full transition to capitalism, and that it was based on several false premises: that SOE are always inefficient, that worker-cooperatives are inherently flawed, and that private enterprises are flawless. I urged everyone to read Joseph Stiglitz's new book, *Globalization and Its Discontents*, for a scathing indictment of precisely the sort of neoclassical "market fundamentalism" that is informing such an analysis.

Various others joined in, although none were so blunt as I was. I said to Hu afterwards that I hadn't meant to be disrespectful, but that I feel very strongly about these matters. He said we could talk further over lunch--but we never did, nor did he address my remarks at all in his rejoinder. Later I asked several people if I'd been too rude. I was told that I had not been. Chun introduced me to a Chinese woman who had been there who said she was moved that I seemed so worried about China, and had come all this way to contribute to the discussion.

Follow the discussion, which closed the conference, and lunch, we boarded a van and were taken to West Lake for a boat tour. West Lake is a large, beautiful lake, surrounded by park and tea gardens, and replete with two pedestrian-only causeways, two islands accessible only by boat, and a number of Buddhist temples. As the boat carried us around the lake, Patsy and I talked with Zheng Hongseng, husband of Qu Wanwen, who, with her, had lived in the U.S. for 13 years, before returning to Taiwan. He has recently given up his career as a software technician,

and has just published a book, a memoir of the Taiwanese student movement of the early 1970s--which was brutally crushed, and more or less erased from historical memory.

After dinner, Patsy and I decided to return to West Lake, so we took a cab to the Shangri-la hotel. We did some shopping there, and some more shopping at a market near the lake. In all cases we bargained, usually managing to get a 30-40% discount. Salespeople at the market are quite aggressive, though, always trying to get you to buy one more thing. (Not as aggressive as salespeople in Shanghai, however, as we were later to learn.)

On Monday we boarded a van with the rest of the foreign delegation and a couple of the Chinese participants, drove to the nearby city of Shaoxin, birthplace of some of China's greatest scholars, among them Wang Xizhi (c.350 AD), the country's most famous calligrapher, and Lu Shun (1881-1936), one of the greatest satirical writers and essayists of modern China.

The drive to Shaoxin, like the drive from Shanghai to Hangzhou, was quite interesting. Rice fields, vegetable plots and fishponds abound. Much new construction going on. No visible poverty--not at all like driving through the countryside in the Philippines. Lots of vehicles on the road, but more trucks and buses than private cars. A lot of bicycles also, but (oddly) none of them new. (I didn't see a single new bicycle during our entire stay in China. Doubtless I overlooked some, but new cars were much more in evidence than new bicycles.)

The trip was pleasant. We had a nice dinner at restaurant named for a famous Lu Xun short story, and drank the famous rice wine of Shaoxin. We were then given a tour of Lu Xun's ancestral home, his former residence and the school he attended. We then went to the Orchid Pavilion, where Wang Xizhi and forty-one close friends sat by a brook, drank wine from cups that floated by and composed poems. Wang's account is the famous "Lanting Anthology Preface," a masterwork of prose and calligraphy. During all this, I found myself, for the first time, coming to see the artistry of calligraphy, each character at once a word and a work of abstract art. Patsy and I couldn't resist purchasing a calligraphy set at the museum shop.

On our return to Hangzhou we ate dinner at a restaurant supposedly specializing in "peasant food," which included, among many other dishes, a platter of frogs. Ever the bold eater, I sampled--but didn't have seconds.

That night Patsy and I went back again to West Lake. We had invited Tian and Chun to go with us to a jazz club that was advertised in the hotel, but they called ahead and discovered that it won't be open until September. We wandered around Ya'an Lu, the main shopping district, which was filled with upscale boutiques. We tried to find a small street that was supposed to be filled with small shops, but we failed. We made our way to a bar next to a tea garden on the lake. We avoided the one from which loud American music emanated, and chose a quieter place--which had soft American music in the background. As we left, we were approached for the first time by a beggar, an elderly man who kept his head bowed, but was aggressively persistent. I reached in my pocket for a coin--at which point several more swarmed forth. I reconsidered, and we walked on, the man following persistently. (Our guidebook had warned

that giving money to a beggar will bring on many others.) Finally, I slipped him a coin and he disappeared, only to be followed by an old woman who was even more aggressive. Loud words were of no use. We had to cross the street to escape. We returned to the resort shortly thereafter, using a hotel card to inform the driver as to where we were going.

The next morning we bid goodbye to our various new acquaintances, then were driven to our hotel in Shanghai. Our driver got lost several times, but fortunately we were accompanied by a university staff person who spoke English. I asked her if she was optimistic about the future of China. She replied without hesitation that she was.

It's not hard to see why. The country--at least the small part of it what we saw--appears vital and dynamic, with new construction going on everywhere, new things happening all the time, new opportunities opening up. It may well be capitalism, but, as Patsy put it, "It's hard not to wish them well."

After checking in and having lunch, Patsy and I took a hotel bus to the airport, then a shuttle to downtown Shanghai--nearly an hour from the (brand new) airport. We had only a couple of hours to walk around. Shanghai is indeed impressive--a lot like downtown Chicago--lots of new buildings, modern and postmodern, beautiful to look at. The city is clean, safe, lots of cars and buses, but not overcrowded--nothing like Manila. Yes, McDonalds and Colonel Sanders, but countless other restaurants and shops as well. Billboards everywhere, but also trees and parks. As yet no shantytowns or evident squalor. It's hard to believe that the Chinese per capita income is a tenth that of the U.S.

We ate dinner at a small restaurant, out on the patio, picking from an English-language menu. We caught the shuttle back to the airport, and cab to the hotel from there. (This time we had a hotel card.)

Breakfast the next morning, a hotel shuttle to the airport, a bit more shopping, then we were up in the air and on our way home.

China faces enormous problems. Much is changing, and rapidly. One can hope that the ongoing class struggle will result in creative solutions--socialist solutions. In any event--it's hard not to wish the country well.

P.S. An e-mail from Tian has informed me that Hangzhou University wants the papers by the President and the other members of the faculty withdrawn, and all mention of the University excised from Tian's opening remarks. I'm guessing that the university officials are worried about having given such voice to the New Left.