Lu Xun's *A Brief History of Chinese Fiction* (1923) was instrumental in initiating the scholarly study of Chinese fiction. However, scant attention has been paid to Lu Xun's critique of Chinese fiction which is found especially in his critical articles and miscellaneous writings. The present study attempts to give a more comprehensive and coherent analysis of Lu Xun's views on Chinese fiction.

Lu Xun was among the first scholars who considered Chinese fiction as an important part of Chinese literature. His critique differs markedly from traditional views which were chiefly concerned with thematic and textual study. He was the first to pay close attention to the realism of Chinese fictional works, their aesthetics, dialogue, characterisation and whether they were sardonic or otherwise.

Lu Xun's studies on Chinese fiction introduced new values and approaches of literary criticism. As a writer himself, Lu Xun's fictional works were both sardonic and realistic. His influence was strongest on writers of the post-May Fourth movement (1919) period. Most of Lu Xun's views on Chinese fiction are still widely held today. Lu Xun is indeed the greatest Chinese literary figure of modern times.