

Deng Xiaoping's new balancing act

Richard Katz reports on the byzantine, and increasingly unstable, situation the China Card advocates are trying to cover up.

Seasoned Washington observers have put out the word to watch a quiet fight for control over America's China policy, a fight being waged between Assistant Secretary of State John Holdridge and National Security Council Political Affairs Director Jim Lilley.

Holdridge, a gung-ho China Card supporter since the days when he accompanied Henry Kissinger on secret missions to Peking, is Haig's man, appointed without prior White House clearance. Lilley, a CIA career man who served on Reagan's campaign advisory board, is "the man the White House talks to about China when they don't want to talk to a Haig man." Through Lilley, the White House is reportedly trying to surround Holdridge with State people "closer to the thinking of the President."

Though interested in improving ties to China—and even possible further sales of defense-related technology—Lilley does not buy the Haig-Holdridge policy of a fundamental alliance between the United States and China. He is reportedly not unmindful that Chinese missiles are aimed at New Delhi and perhaps Tokyo, as well as Moscow, and may be aimed at Washington when they attain sufficient reach. Lilley is also said to believe that in the long run, for reasons of its own interest, Peking will try to restore an equidistant position between the United States and the Soviet Union.

Holdridge, in contrast, discounts factional ups and downs in Peking, insisting that China has no option but to go with the United States, and maintaining that U.S. alignment with China, including security cooperation, can only enhance this trend. At present, Haig and Holdridge are trying to persuade a skeptical President Reagan to approve arms sales to Peking. Holdridge's Carter hold-over deputies, Michael Armacost and John Negroponte, are, as *EIR* reported last week, trying to force direct U.S. support and supplies for China's Khmer Rouge proxies by way of engineering a Pol Pot-dominated Cambodian opposition front, with Haig's blessings.

These moves come at a time when there are some signs of the trend suggested by Lilley. The elite *Guangming Daily* on April 25 accused "imperialists" (the United States) as well as "social imperialists" (the Soviet Union) of "engaging in activities to undermine our socialist system"—an exceptionally evenhanded attack. On Feb. 10, through an allegorical article on late 19th-

century Chinese defense debates, the *Guangming Daily* had charged those who argue only for defense against the Soviet Union of "national betrayal," demanding defense against both the West and the U.S.S.R. At a time when Peking strongman Deng Xiaoping had just slashed the defense budget, the *Guangming Daily* also put into the "national betrayal" category those who, "under the pretext of financial crisis," refuse to mount defense on both fronts.

More immediately important than foreign-policy debates in Peking is the fact that in the United States, the China Card strategy is based on the premise of stability in China, and on the supremacy of Deng's "America Card" faction. Neither premise still holds true.

Every day brings new reports of deepening economic and social crisis in China. There has been an army mobilization to suppress a protest of 1,000 jobless in Shanghai; laid-off factory workers are vandalizing entire plants. In the countryside, millions are starving in famine- and flood-ridden provinces. Reports in official party documents itemize spreading infanticide.

So great is Deng's fear of urban and rural unrest that he has promised at least to end the factory shutdowns. Faced with Deng's opposition to maintaining heavy industry, much less expanding it, local leaders warned that the 10 million additional workers slated to be laid off would multiply the current outburst of Polish-style strikes. The pro-Peking Hong Kong newspaper *Wen Wei Po* reports that the PRC Insurance Company will "compensate for financial losses which joint ventures using Chinese and foreign labor may suffer as a result of the effects of the political situation."

Deng's de-Maoization moves, meanwhile, have exacerbated political cynicism and social disaffection among China's youth, as the *People's Daily* warns. Police have had to suppress various student political activities and groups.

The Deng/'Old Guard' compromise

Attacked for undermining social stability and the growth of China's national power, Deng has been forced by his opponents to retreat—not only on economic liberalization. Deng has made a forced accommodation with the people he has been trying to purge.

To consolidate his rule, Deng needs to convene the

Sixth Central Committee Plenum and a subsequent Party Congress, in order to elect a new leadership, oust his opponents, and certify de-Maoization and his anti-heavy-industry strategy. Originally scheduled for last winter, the plenum has been repeatedly delayed. It is now reportedly scheduled for June.

In the weeks before the plenum, prominent Deng opponents once purged or consigned to "nonpersonhood" by Deng's press have begun making widely publicized reappearances at official functions and placing their views in the press. Most significant among them are:

Marshal Ye Jianying: One of the most respected old generals and a former defense minister, Ye opposes Deng's anti-heavy-industry program because it precludes development of the industrial base needed for a modern conventional military.

Chairman Hua Guofeng: Deng prematurely boasted to foreign press last winter that he had already purged Hua as chairman, and Hua dropped from public view. Hua ostentatiously reappeared at the May Day celebration, accompanied by well-known pro-Maoists. The press treated him with the protocol due the party chairman.

Li Xiannian: Party vice-chairman forced to resign as vice-premier last fall, Li is a Chou en-Lai-associated backer of the heavy-industry strategy and the civilian "industry lobby" purged by Deng.

The varied Deng opponents cannot be dismissed as sheer Maoists. Many, like Ye, opposed Mao's insanities on key issues and helped rehabilitate Deng. Nor are they a unified faction with clear policy alternatives. They are a heterogeneous collection sharing one concern: the fact that Deng is undermining China economically, socially; and militarily.

The 'antirightist campaign'

"Certain sensitive people think that 'the second' Cultural Revolution has arrived and hold that an 'antirightist movement' is under way," reports the April 26 issue of *Wen Wei Po*, one of the pro-Peking Hong Kong papers that prints factional barrages before the mainland press does. Lately the paper has reported on "antirightist" criticisms of Deng's policies: "Some people have recently been saying that 'the gunbarrels require the party to uphold the Four Basic Principles [Maoist dogma rescinded by Deng in December 1978 but recently restored to prominence in the controlled press],' and 'the party is opposing leftism while the army is opposing rightism.'" The writer, a Dengist, hastily adds that "China's situation is not as chaotic and messy as that" and assures the reader that Deng opposes both leftism and rightism.

In other words, the price paid by Deng for the Central Committee plenum—whose exact timing and outcome remain uncertain—is acquiescence to an "anti-

rightist" campaign and a retreat on key policy issues. Any deal struck now is destined to come unglued, since the power struggle is propelled not simply by ideology but by the need to respond to the instability caused by economic turmoil. As an omen, five leftist Hong Kong magazines popular for their frank coverage of factionalism have recently been banned from the mainland.

Perhaps the most remarkable product of the temporary accommodation is a strident defense of Mao and Maoism printed first in the *Army Daily*, a significant fact in itself, and then reprinted in every major paper. It is the text of a speech given by Huang Kecheng, presently the secretary of the party's powerful Discipline Inspection Committee:

Defaming and distorting Chairman Mao can only defame and distort the party and our socialist motherland. . . . At present the hostile forces at home and abroad all hope that we will negate Chairman Mao in order to confuse our thinking and lead our country to capitalism. *There are also some people within our own country who have been influenced by Western individualism and liberalism and sing the same tune as the hostile forces* [emphasis added].

Without Mao's arduous and far-sighted struggle . . . the Chinese revolution would have been unimaginable. . . . What would take the place of Mao Tse-tung Thought if it were abandoned? . . . Do they mean to call back Confucius or Sun Yat Sen? . . . Do they mean to introduce into our country capitalist things from the West?

Huang goes on to say that China should borrow only technology and science from the West. He identifies the United States as decadent, saying the mafia is the second largest "industry" after oil. Thus, emulation of the West means chaos. In the entire speech, there is not a word of criticism of the Soviet Union.

What makes Huang's strenuous defense of Mao even more remarkable is the fact that he is known as a top general, a hero of the revolution who opposed Mao back in the 1950s and was purged by Mao in 1958 when the likes of Deng Xiaoping were still obeying Mao.

Incredibly, the pro-China Card U.S. and British press portrayed Huang's speech as part of Deng's de-Maoization. Some of Deng's associates were not so complacent, as *Wen Wei Po* comments: "Some people . . . attack Huang Kecheng's article . . . babble that the army is putting on a rival show to the party, that the Sixth Plenum cannot be convened, and that Huang is still maintaining the personality cult."

For now, Deng is politically weakened and must acquiesce in criticism of "rightism," criticism amounting to nothing but attacks on the policies he has enforced. This is the picture obscured by the China Card advocates.