

# Mainland China explodes; Can the nation be saved?

by Mike Billington

The People's Republic of China (P.R.C.) in April and May has been swept by the largest social upheaval since the chaos of the Cultural Revolution before Mao's death. The world's TV screens and front pages carried scenes of over 100,000 students marching through Beijing and into Tiananmen Square before the Great Hall of the People. Along the route of the march, over half a million Beijing citizens cheered on this unprecedented breach of Communist rule, while posters and banners openly attacked the government and the Communist Party. Although published commands from government leaders threatened harsh repression, the police and army forces deployed to stop the marchers offered *no* resistance beyond "locked arm" lines which were easily and repeatedly pushed aside.

While the situation is extremely fluid, with forces within and without China deploying their assets in various directions, one reality determines the environment in which the crisis is unfolding: China is undergoing a massive internal economic breakdown which threatens the lives of hundreds of millions of people.

An internal leadership struggle has been developing over the past six months, since Premier Li Peng emerged as the public director of a "forced austerity" regimen, largely overturning the 10-year "reform" program of Deng Xiaoping and Party Secretary Zhou Ziyang. Deng, who remains head of the military and senior statesman, has been a target of the students' attacks along with Premier Li Peng, because of his hard line against the dissident "free speech" movements of the past four years. Deng is also blamed for allowing the downfall of the leading liberal reformers.

Hu Yaobang, whose death and funeral sparked off the student demonstrations, was dumped as head of the Communist Party in 1986 by Deng under pressure from the party leaders, who held Hu responsible for the protest movement that erupted at that time. His replacement, Zhou Ziyang, continued the economic liberalization until the breakdown last year led to Li Peng's "retrenchment." The students demanded the rehabilitation of Hu's policies, and by implication, supported Zhou against Li's retrenchment.

But while the demands and banners are focused on democratic rights of free speech, anti-corruption, and the education crisis, the fundamental issue is the threat to the power of the government to implement the bone-crushing austerity being demanded by *all* the leadership factions—and the in-

ternational bankers who are moving in (see *EIR* April 14, 1989, "Mainland China Takes the IMF Road"). The decisions being made in the West, in Moscow, and in Taiwan will determine whether anyone will respond to the question: "Who will save China?"

## The vultures move in

As *EIR* has documented repeatedly, the "New Yalta" policy being implemented by the Anglo-Soviet elite and the Kissinger group in the Bush administration is leaving Asia to the Soviet "sphere of influence." Increasingly, the U.S.-Soviet condominium pursuing this New Yalt seem to have agreed that China should be left politically destroyed and economically picked apart in a manner similar to its 19th-century dismemberment and destruction by the combined Western Powers.

The April 21 *Financial Times* of London reported the crisis not as a disaster, but as a time of great "optimism" for achieving two goals: 1) breaking down the central government into competing regions, and 2) imposing Western banking control.

The *Financial Times* admits that this is "China's most ominous period," and that "clouds are gathering around Peking in a manner unseen since the last days of the Chiang Kai-shek regime in 1949." The reform didn't work, they report, because of the lack of an "efficient banking system," and the retrenchment will fail for similar reasons. This social crisis, combined with the economic breakdown, is the chance for "the lawyers, accountants, moneymen, and tax specialists . . . to run a modernizing economy."

Further grounds for "optimism" for these would-be Taipans who look back with longing to the 19th-century opium trade concessions, is the "fragmentation of the Middle Kingdom, starting to overshadow the leadership's thinking." The provinces of the south and east, says the *Financial Times*, where the "free trade zones" were established under the reform, are beginning to "simply ignore the center's instructions." A breakdown into autonomous regions "might prove an easier and more effective means of running this vast country."

## The Soviet 'concession'

Another factor affecting the crisis atmosphere is the May 15-18 visit to Beijing of Soviet General Secretary Mikhail

Gorbachov, to formally reestablish Sino-Soviet relations after 30 years. The massive Sino-Soviet border has been transformed from an armed front into a series of barter trade centers, and the Soviets are moving into the Hong Kong-style "Special Economic Zones" in league with Western nations. The chief of the Amsterdam police has already identified the Beijing-Moscow flights as the newest expanding route for the bumper heroin crop from the China-Burma Golden Triangle, and an overland "container bridge" using trains, trucks, and ships across Siberia is rapidly replacing the ocean routes to Europe.

The British press has tried to portray the student demonstrations as part of the international "Gorbymania." The *Far East Economic Review*, published by Dow Jones, ran a cover story on the demonstrations called "China: Demand for Glasnost." The much ballyhooed "election" of Moscow's Boris Yeltsin was praised in the Chinese Central Committee's *Xinhua* daily as follows: "Yeltsin, who has enjoyed a reputation for speaking out and has been at odds with the Kremlin's number-two figure, Yegor Ligachov, campaigned for more democracy and an end to privileges for the government and party elite. During the campaign, thousands of Muscovites gathered at rallies to voice their support for him."

As this precisely describes the demands and actions of the student dissidents, those in the government who printed this appear to *want* to channel the student ferment in a pro-Soviet direction as Gorbachov's arrival approaches.

## The role of Taiwan

The student demonstrations intersect an estimated 100 million construction and small industry workers now wandering the nation in search of employment, and a peasantry which is turning to physical resistance to party cadre responsible for collecting the grain tax, as grain production continues its five year decline amidst rampant inflation. Anti-Communist Party posters and banners were common in the demonstrations. The primary concern of the government and party leaders was to prevent the linking up of the workforce with the students. To that end, the Beijing Municipal Government issued orders to all factories in the city forbidding workers to take leaves of absence between April 25 and May 5. (May 4 was correctly expected to be a day of mass demonstrations, as it was the 70th anniversary of the 1919 demonstration by Beijing students against the Versailles Treaty's transfer of German concessions in China to the Japanese. This rally launched the May 4th Movement, which sparked the nationalist revolution.)

The movement did in fact establish connections across the country and among workers. While tens of thousands of workers cheered the marching students in Beijing, in Shanghai the authorities expelled hundreds of thousands of the "floating population"—the new army of unemployed—from the city to prevent them from joining, according to the *New York Times*. The 6,000 students who rallied there included

economic issues in their slogans—an end to inflation, unemployment, and also an attack on the government's granting of "concessions" on Hainan Island, which they denounced as a return to 19th-century capitulation to foreign powers. The government fired the editor of the Shanghai *World Economic Herald* and seized one issue for breaking the gag order. This spurred the demand for free press, and 150 workers from the official paper *Xinhua* joined the marches.

Gen. Teng Chieh, a senior statesman of the Kuomintang on Taiwan, whose book *A Total War Strategy Against Peking* was recently published in English translation (see review, page 57), argues that the key to liberating the Communist mainland and returning to republican government lies in the historical fact that the myth of Communism's capacity to save China now stands exposed. While 100 years of civil and imperial wars left the Chinese people in the 1940s vulnerable to the hope that Communist dictatorship would save them, the vast majority of the mainland is now anti-Communist. The potential to mobilize that mass sentiment is now a visible reality on both sides of the Taiwan Straits. It is this cultural warfare that will determine the direction of the crisis.

The current government in Taiwan, however, under the intense pressure of U.S. trade war policies, is deserting the economic policies that built the island republic into a world economic power, while also accommodating to the reform policy in the mainland (see *EIR*, May 5, 1989, "The R.O.C. Must Not Go Down the Tokyo Road"). Such a policy could neutralize the potential for Taiwan to intervene to save the mainland from the pending disaster.

## Fang Lizhi

Although the students are avoiding naming any of the well-known dissidents for fear of government retaliation against them, it is widely recognized that they took moral direction from the intellectuals led by astrophysicist Fang Lizhi, who mobilized over the past six months for free speech and for amnesty for political prisoners. The government's State Council has named Fang and the U.S.-based Alliance for Democracy as among those responsible for the unrest, and implied that there would be arrests, but not "too soon."

That Fang is aware of the cultural issues involved was demonstrated in an interview he granted to the Hong Kong *Cheng Ming* April 1. He describes the CPC leaders as "old veteran soldiers who fought the battles and seized state power for the party. They performed deeds of valor, but their minds are full of feudal ideas and do not understand democracy and democratic politics at all. Leaders in their 60s were trained in the Soviet Union and Eastern Europe when they were young. None has personal experience in Western democratic politics. Scholars and students who have received education in Europe and America learn much about the essence of democratic politics, but most of them are not willing to return to China, or were not appointed to leading positions because the CPC feared their democratic ideas."