

# Beijing declares war on China's elites and peasantry

by Linda de Hoyos

In its zealous drive to re-establish the central control of Beijing over the economic and political life of the 1.2 billion people of the People's Republic of China, the Chinese Communist leadership has taken upon itself a formidable, and likely impossible, task. With the exception of the military and urban workers, the Beijing regime has effectively declared war on every stratum of society.

The lead-charge for this assault is the Aug. 19 announcement by Communist Party General Secretary Jiang Zemin that the party leadership will carry out a thorough purge of the 48-million-member party. In particular, Beijing reports indicate, the party doors will be closed to "entrepreneurs"—that is, those who have engaged in private enterprise, including the bringing in of foreign investment. The party leadership is determined to root out all those who have shown sympathy with the democracy movement, including many of the intellectuals in the party itself. Given that that support for the democracy movement was widespread in the party, especially in Beijing and Shanghai, the party will be axing many of its previous policymakers—those who have formulated and implemented the Deng Xiaoping reforms. Those expelled, the Beijing leaders might note, however, represent an alternative leadership base as the Chinese political and economic collapse ensues.

Students—the future leaders of the party—have also come under strong attack. The student population has been decreased this year by approximately 20%, particularly enrollment in Beijing University. Prospective students must first do a stint in the military before being accepted in schools. Once enrolled, students must participate in "political seminars" three to five times a week on the lessons to be learned from "Mao Zedong Thought." No students will be permitted abroad, until they have worked in the country for seven years. Latest reports from Chinese students in the United States also indicate that those who have been given permission to go abroad—hoping to continue their education in the United States—are instead being shipped off to the Soviet Union, a country Chinese students view with deep distaste.

Aside from the bureaucratic maneuvers against students, repression has been coming down hard since the June 4 massacre at Tiananmen Square. According to the *South China*

*Morning Post* Oct. 21, students are being required to give daily accounts of their movements during April 15-June 4, the period of the Beijing demonstrations, and to write long essays on what they think about the democracy movement. They are also being encouraged to report on each other. Many students have "disappeared" since June 4. Many students who fled Beijing have been summarily killed by local police when found. Other students, the *Post's* source said, have succumbed to mental illness under the pressure brought to bear on them; such victims are simply tied to a bed and given tranquilizers.

In the aftermath of the Tiananmen Square massacre, the party's lenient attitude toward religion inaugurated over the reform years, has also been reversed. The *Peasants Daily* Oct. 18 declared, "We cannot underestimate such bad influences" as religion, which are "feudal and superstitious" in their nature and which "have poisoned the masses." The East Asia Buddhist Society has been banned and its leader incarcerated for suspected involvement in the democracy movement. Another target is the Roman Catholic Church. More than 10 priests have been arrested in northern China since June 4, with prime targets being those clergy who confess their loyalty to the Vatican. In Hebei province, priests are no longer permitted to say mass.

## Command control of the economy

Under the direction of Vice Premier Yao Yilin, a comrade-in-arms of the pro-Moscow Premier Li Peng, the leadership is attempting to re-assert its control over the economy. In the last 10 years, regions, provinces, and districts have been given broad powers to seek investment and determine how that investment is used—once their obligations to Beijing have been met. (This arrangement has also given locals the opportunity to significantly skim off investment monies.) Now plans are afoot for Beijing to take back such powers. According to reports in the *South China Morning Post*, the State Planning Commission, under Yao Yilin's direction, is devising a plan to place all areas under the strict control of "regional bureaus" controlled through Beijing.

The *Post*, citing a Beijing economic source, says that "the heads of the bureaus will function as economic czars who will tightly oversee economic and business activities

within their jurisdictions. The insertion of an administrative tier between the provinces and central party and government authorities will enable the Politburo and State Council to ensure that their orders are obeyed throughout China.”

The plan revives the wartime regional system used by the Communists up to the mid-1950s, and is believed to be a step in the militarization of the economy.

The central-command policy is ostensibly being carried out to permit Beijing to reorder economic priorities. Instead of seeking foreign investment for construction and trade-related production—the policy of ousted General Secretary Zhao Ziyang which favored the coastal provinces—Beijing is seeking to establish tight control over investment and funnel it toward basic industries and infrastructure, particularly the development of energy and transport. In itself, the economic content of Beijing’s desires is not in the wrong direction; however, politically, the Beijing regime can expect difficulty implementing it.

The *World Journal* has reported that the provincial governor of Guangdong, Yie Xianpeng, the southeast province that is home to Canton, has refused to carry out Beijing’s order that people buy government bonds. According to the London *Financial Times*, Yie told reporters that he would not allow political ideology to interfere with business management in Guangdong. He has refused offers to take a position in Beijing. In addition, a senior official in Guangzhou (Canton) has proclaimed that his city will forge ahead with a HK\$18 billion investment plan, despite Beijing’s order for austerity. The investment package is for 10 projects, including an electrical plant and a steel factory. Guangzhou does not intend to lose its status as the most developed commodity economy in China, the official said.

Guangdong’s resistance to Beijing’s austerity and command-control demands is likely backed by the regional military commanders, who traveled to Beijing in August to lobby that Guangdong’s economy not be throttled.

## War on the rural population

Having declared war on the party elites and the local bosses, Beijing is also training its eyes on the countryside. Contrary to its credentials as the product of a peasant revolution, the Beijing regime has always subsisted through brutal accumulation off the backs of the peasantry. There remains a vast gap between the standard of living in the cities and that in the countryside.

The Deng Xiaoping regime gave peasants their first “break” by dissolving the communal system and placing the farmers under contract. Under this system, peasant families were given back their land to become tenant farmers for the state. Once the family has coughed up its quota to the state, it is permitted to grow whatever it likes. This social policy boosted agricultural productivity, but only up to a point; overall investment in agriculture *decreased* during the Deng years.

The strongest opponent of the contract responsibility system has been octogenarian Chen Yun, the political godfather of Li Peng and Yao Yilin. In 1985, Chen Yun argued vociferously from his wheelchair that the contract system would result in a dangerous decrease in grain production, as peasants sought to diversify into more profitable ventures requiring less input. Accordingly, Beijing is now mooting that it will rip up the contract responsibility system to once again place the countryside under central control.

The rationale for this assault on the peasantry is that the family holdings are too small to permit an increase in productivity. This is seen to be an urgent problem, since Beijing’s grain production has not risen above 400 million tons since 1984, while the population has risen by 75 million. As the *Zhongguo Tongxun She* daily explained Oct. 18, the contract system was actually only “Step 2” in Beijing’s revolutionary policy for agriculture. “Step 3” is the transition to fairly large scale land operations. The smaller plots have caused the “disintegration of the system of water conservancy facilities and made large farm machines unable to play their part.” The daily cites the success one Xinmouli village in Liaodong peninsula, where only 30 peasants are operating all the village’s land, while the rest have been sent to work in village-run factories.

However, the article admits that the large-holding system will drive millions of “superfluous agricultural workers” off the land. How are they to be absorbed? For that, Beijing has no plans at all. The rural enterprises that have sprung up over the past five years, which have concentrated on low-technology, labor-intensive industries for export, have come under attack since June. The complaint is that they drain off investment which would be put to better use in centrally-controlled large projects. Over 18.8 million township enterprises have sprung up, absorbing 100 million peasants. Now, as Beijing prepares to throw millions off the land, 15% of the country’s rural enterprises have shut down, and that is just the beginning.

Hence, mainland economist Song Ja Wu warned with good reason Oct. 27 in a conference with international businessmen that unemployment in China will soon soar. Song expects that 80 million more farmers will become unemployed, and that another 20 million will be laid off from state enterprises. Given Beijing’s overall plans, that is an underestimation.

The only constituency Beijing has attempted to “keep on its side” are city workers. Inflation of food and other commodity prices in the cities has been stopped, through government intervention with large subsidies. Reports are that the announcement in mid-May of the formation of an autonomous trade union in Beijing panicked the Communist leaders, and is the incident that prompted the imposition of martial law. Beijing is reportedly terrified that it could meet the same fate as Communists in Poland, where the workers have turned against the party.