

Chinese Faction Fight Enters New Phase; Mass Strike, Economic Crisis Dooms Maoist Rule

On April 4 and 5, crowds of 250,000 and 100,000 demonstrators respectively broke all the rules of the inscrutable game of Chinese factional politics and brought their demands for an end to Maoist rule of the country out into the streets of Peking. The revolutionary strikes of last weekend revealed to all inside and outside China that Mao and his policies no longer command credibility or legitimacy within the country.

The emergency Politburo meeting called less than a day after the April 5 riot which dumped leading "moderate", and Vice Premier Teng Hsiao-ping, and the hastily-organized pro-Maoist mass demonstrations in many cities that began Thursday, revealed that the terrified Maoist leadership of the Chinese Communist Party did not fail to get the message. Conceding tremendous factitious advantage to their "moderate" opponents, the Maoists published in full detail both the size and the violence of Monday's anti-Maoist riot. They clearly hoped to terrify the entire party and army with the spectre of the revolutionary overthrow of the present regime. They also announced to the vast majority of Chinese workers who hate Mao the depth of similar sentiment among their fellow workers even in Peking.

The demonstrations, called to mourn for late Premier Chou En-lai, turned into an overwhelming support rally for Chou protege Teng Hsiao-ping and the economic policies of the Chou-Teng faction, both under fierce attack by Maoist factional opponents for the past two months. The content of the demonstrator's demands went far beyond the confines of the Byzantine backroom maneuvering of the two contesting factions. They implicitly called for an end to austerity, and explicitly demanded the dumping of most top Maoists — demands the Teng faction neither desires to nor could fulfill. The demonstrations were channeled into support for the Teng faction on the basis of its program for the industrialization and modernization of the economy.

Underlying both the demonstrations and the faction fight is not merely the widely reported debate over economic policy, but a severe economic crisis in China. The crisis, caused by stagnation in key heavy industrial sectors has been covered in only fragmentary fashion in the western press. The two major factions are thus caught between the popular anti-austerity demands and a deteriorating economy from 18 years of Maoist wrecking operations.

Demonstrations Confirm Overwhelming Support for Moderate Faction

The weekend demonstrations confirmed that the moderate faction not only enjoys majority support within the Chinese Communist Party, the army and the government but in the general population as well. The dismissal of Teng Hsiao-ping from all his party and government posts is but a Pyrrhic victory for the Maoists. They are confronted with the question of what to do next in the face of the overwhelming repudiation of their policies by the Chinese masses.

The April 6 Politburo meeting resolved nothing in the faction fight. In an apparent deal with the Maoists over the

ouster of Teng "moderate" faction leader Li Hsien-nien, close associate of the late Chou has been allowed to reappear publicly for the first time since Jan. 3. Hua Kuo-feng, acting premier since Feb. 6 was appointed premier and first party vice-chairman replacing top Maoist Wang Hung-wen in that position and making him the direct successor to Mao Tse-tung. Little is known about Hua's affiliations and policies but he is most likely in favor of most of the "moderate" faction's prescriptions for economic development.

The military leadership is known to favor the "moderate" faction. Even Sovietologist Victor Zorza has reported in a column that last summer, Teng explicitly courted the military by promising greater economic allocations to defense based on implementing Chou's program. The program calls for modernization of four national sectors, one of which is the military.

The Teng faction itself was shaken by the demonstrations. Hsinhua, the Chinese news service, reported April 10 that one person was killed in a similar demonstration on April 5 in the industrial city of Chengchow, the capital of Honan province, 380 miles south of Peking. There were demonstrations in several other cities as well. Railroad workers in the coastal city of Nanking last week wrote demands for the ouster of Shanghai's Maoist leaders in the Politburo in chalk on the sides of railroad cars headed for Peking. Earlier reports of disturbances among the highly politicized railroad workers were given weight by an April 8 article in the Taiwan United Daily News, citing Taiwan government intelligence reports that railroad workers had sabotaged track and destroyed locomotives in anti-Maoist protests in 6 provinces. The paper also published unconfirmed reports of an attempted rebellion by the Fifth Air Force brigade against the purge of Teng supporters from their unit.

The Peking Demonstrations

The signs, poems and posters of the Peking demonstrators revealed a determination to fight sufficient to threaten the entire Maoist regime. One message declared "We swore to protect Chou and his successors and we will fight a bloody battle to the end." A message from a border guard unit announced "we will fight against anyone who attempts to interfere with Chou's legacy of modernization." Many signs denounced "traitors" inside the Communist Party leadership who have tried to "mislead the masses" and change the policies of Chou. One poster asked "Why is the Shanghai radical press attacking premier Chou? Who is behind it?" Such posters were direct attacks on three Shanghai Maoist leaders on the Politburo who are leading the current anti-Teng campaign.

Mao's wife Chiang Ching was also denounced as people chanted "Down with the Empress Dowager" and "Long Live Yang Kai-hui," Mao's first wife who was killed in 1930. Even Mao was attacked in one popular poem which sighed "The sun — Chou — has gone down and now unhappy clouds are rising." Mao has been the official "sun" in China for 20 years. A longer poem went so far as to say that the era of

Chin Hsi Huang is over, a thinly disguised attack on Mao's rule as being similar to that of the dictator Chin in 200 B.C. The Chin dynasty died with its founder.

Still other signs attacked the Maosit onslaught against the Constitution passed under Chou En-lai's guidance in January, 1975. "We have a right to the 8-grade wage system and other privileges under the Constitution," said many signs. One of those rights is the workers' right to strike, which would devastate the Maoists is used under present conditions.

Economic Crisis

At the Fourth National People's Congress, China's nominal legislative body, in January 1975, Chou engineered the passage, over Mao's objections of a 5, 10, and 25-Year Plan for turning China into a modern industrial nation by the next century. Central to the plans is the importation of numerous large-scale steel, chemical and other heavy industrial plants which China lacks the technology and the capital resources to build. Only these imports can give China a chance to overcome the disastrous effects of labor-intensive Maoist agriculture policies and the serious neglect of the nation's heavy industrial sector. since 1958. The only means of acquiring such inputs however, short of turning to the Soviet Union, however was to continue the very rapid expansion of petroleum production. Under the plans, China was to export billions of dollars of crude oil by the late 1970s, and accept foreign credits for the purchase of industrial materials in the meantime.

This year however, China's oil output has collapsed. The first hint of problems in the industry was given in late February when China abruptly cut its February supplies to Japan from 450,000 tons to 250,000. In March, shipments were halved. Late last month, Japanese sources, confirmed by the CIA, reported that a huge explosion had rocked the Taching oil fields which supply 30 per cent of China's oil and most of its exports. Last week, Japanese steel companies reported that China had cancelled talks for the purchase of an additional 2 million tons of steel in exchange for oil.

In an interview carried by the UPI and AP wire services two weeks ago which was completely blacked out of the western press, Chinese Vice-premier and Minister for State Capital Construction Ku Mu told a delegation of visiting Japanese businessmen from Osaka that China would not be a major exporter of oil in the future. Heretofore, China had led all observers to believe that oil exports would rapidly rise. Ku Mu, however, explained that all of China's oil production was needed domestically. In light of the industrial slowdown, this must reflect a collapse in supplies, rather than an increase in domestic demand. A Hsinua dispatch the same day reporting that over the last year 6,100 Taching oil field's party cadre had been transferred down to basic cell levels to "study revolution and promote production" suggests the explanation that they are being disciplined for production problems.

Without oil to sell for foreign capital, China's steel industry is in trouble. The London Daily Telegraph reported West German economists' estimates that steel output at Anshan, the largest steel complex, fell from 6.0 million tons in 1974 to 5.6 million tons in 1975. Without new steel plants, and large treatment plants to improve the quality of China's low-grade

iron ore and coal, China cannot greatly increase its steel output. Additionally major bottlenecks exist, in rail transport and oil output cannot significantly increase without large off-shore rigs from the west and massive imports of pipeline for its interior walls.

Apparently because of the oil shortfall, the Chinese leadership has already scrapped the targets of the 5 and 10-Year Plans and revised them drastically downward, according to Clare Hollingsworth, the London Daily Telegraph's usually reliable Peking correspondent. Hollingsworth reports that imports of foreign capital and technology will be tremendously curtailed. If this decision holds, it will signal a major Maoist victory against the Chou-Teng faction.

Western observers and diplomats, most of whom have now been reluctantly forced to recognize that Mao and his faction represent an unstable, unreliable and internally unpopular ally against the Soviet Union, have in recent days suddenly come out in clear support of the Teng faction. Editorials and commentaries have stressed the importance of Chou's industrialization program to insure China's military strength against the Soviets.

Such observers have overlooked China's long-term economic crisis, and have ignored and blacked out most of the evidence of the immediate crisis. They thus fail to recognize that Chou's program **cannot be implemented**. In practice, the Teng-Chou faction has no adequate answer to the Maoist labor-intensive austerity program at this point — short of breaking with Maoism and orienting toward the Soviets.

As Pravda, the official Soviet Communist Party paper said last week, "One thing is clear: Teng is no enemy of Maoism, but only wants to reach the same Maoist policy with a different method."

The "moderate" faction may retain its hold on the commanding positions within the army, government and much of the party, but they have no basis to effectively challenge Maoist revision of Chou's industrialization program. They therefore can ill afford to encourage more popular demonstrations in their behalf for fear of arousing demands that they can not satisfy.

The Pro-Soviet Forces

There exist actual pro-Soviet forces within the Chinese leadership, such people who have had to keep their identities secret for fear of instant purge by the Russo-phobic Maoists. They have been unable to function openly since Mao's break with the Soviets in 1960 — a move carried out with the complicity of Teng and Chou. The policy of the pro-Soviets — China's rejoining the socialist camp — will become increasingly popular as the current crisis deepens. The mass strike which came to the surface last weekend can not again be effectively suppressed again.

As long as Maoism continues to exist, the underlying dynamic of all future political developments will be the interaction of the mass strike pressures, China's economic collapse and the playing out of the "palace debate" between the Maoists and the Chouists. In this increasingly unstable environment of ferment and brutal suppression, both factions will eventually be destroyed — clearing the way for a genuine socialist regime to finally come to power.