

China

Deng's chickens come home to roost

by Gregory F. Buhyoff

As 1981 comes to a close, Chinese Communist Party Vice-Chairman Deng Xiaoping is faced with political, economic, and foreign-policy crises, all of which stem from his "pragmatic" reforms over the past two and a half years. Not only is the economy in a mess as a result of the "re-adjustment" policy of massive cutbacks and austerity; a breakdown in discipline among cadres nationwide threatens political instability, while Deng and his faction face the politically dangerous prospect of losing the "strategic relationship" with the United States over the question of U.S. arms sales to the Nationalist regime in Taiwan. Though Deng remains in tenuous control for now, the situation indicates that his chickens are coming home to roost.

From press accounts at the beginning of the year, one could hardly have predicted such a year-end state of affairs in China. Saccharine reports heralded the rise of Deng and his faction of "pragmatists," and advocates of a U.S.-China "strategic alliance" conjectured lustfully over the implications of a Deng-led China. Deng's "modernization," they argued, would be enough to persuade Ronald Reagan to discard his affection for Taiwan in favor of the "China Card" pursued so vigorously during the Carter administration. The radical Gang of Four had just been subdued, and the naming of Deng intimate Zhao Ziyang as Premier in the autumn of 1980 ostensibly cleared the way for a new policy line that would lead China out of Maoism.

However, careful observers, notably the *EIR*, provided more sobering estimates of the political situation in China. Deng's ability to harness support from conservative political and military elements waned rapidly after the trial of the Gang of Four, and he met stiff opposition as he began to push ahead for unfettered control. Seven months passed before Deng was able to hold the long-awaited Sixth Party Plenum, where a diluted resolution assessing the contributions and mistakes of Mao was finally passed. The demotion of Party Chairman and

Deng-opponent Hua Guofeng was also achieved at the June plenum, but with great difficulty, and the unchanged overall composition of the powerful Politburo ensured that Deng would not have carte blanche.

Since the fall of 1980, Deng accelerated the economic retrenchment policies begun in late 1978, when savage cutbacks were made in capital improvements and in basic industry while efforts focused on light industry and consumer goods. Major capital construction projects were cancelled and factories were closed, leaving hundreds of thousands jobless. China's credibility with foreign investors sank to an all-time low.

Deng has shown no signs of giving an inch. On the contrary, in what appeared to be a "flight forward" denial of reality, Zhao Ziyang acclaimed the successes of the year and announced at December's National People's Congress that re-adjustment would continue for at least five more years.

In a country where, as Agriculture Vice-Minister Du Runsheng admitted in November, one-third of some 800 million peasants must rely on government handouts, the implications of further austerity are genocidal.

The deliberate gutting of the economy's ability to provide for the Chinese population, however, is not surprising from a regime that has already stated officially its commitment to depopulating the country by some 550 million between 2000 and 2080. In accordance with this policy, China is carrying out a national campaign of forced abortions, sterilizations, and even infanticide, in cases where couples violate the one-child-only law.

Deng has had to contend with widespread breakdown of party discipline and other "unhealthy" trends. The "open door" policy which opened up China to influences from Hong Kong and the West is being blamed for fueling "bourgeois liberalism," (a catch-all term for official corruption), and "anti-socialist" dissent.

But perhaps the most dangerous near-term prospect for Deng is the likelihood of U.S. arms sales to Taiwan. Since Alexander Haig's visit to Peking this June, when he mooted the possibility of arms sales to China, Washington's simultaneous consideration of arms sales to Taiwan has made Deng extremely cautious lest factional opponents accuse him of accepting an arms trade-off at the expense of China's sovereignty. The visit to Washington by Deputy Chief of Staff Liu Huaqing scheduled for August was scrapped without explanation. To shield himself should the arms to Taiwan be approved, Deng has been trying to distance himself from Washington by referring to the United States as a "hegemonist" (a term usually reserved for the Soviet Union), and threatening that China will "react sharply" to any sale of U.S. weaponry to Taipei. Nevertheless, Deng is clearly worried that Peking's "America Card" policy of manipulation of U.S.-Soviet confrontation will fail to capture Reagan, and its failure could take Deng down with it.