

China: The battle of the 'Ancients'

by Mary Burdman

Every year, at the time of the lunar New Year, China's most important annual holiday, the remnants of the old Communist Party leadership make their appearance. This year, the appearance of the leading "Ancient," Deng Xiaoping, 89, on Feb. 10 was a calculated risk by the supporters of the all-out "high-speed growth" faction in China, and their gamble may not have paid off. To all accounts, Deng appeared nearer death than life. Observers said his condition was reminiscent of Mao Zedong's during the last period of his life, when others used the sick and semi-conscious Mao for their own purposes. Deng's daughter, Deng Rong, is both his "ear" and his mouthpiece, interpreting Deng's otherwise incomprehensible mumblings as messages for the world. Deng Rong published a biography of her father last year—something generally not done in China before the subject is deceased.

Deng had almost disappeared from public view, although reports of his "sayings" would come out in the press periodically, always urging rapid, all-out "growth." What Deng means by growth, however, is giving free rein to the coastal Special Economic Zones, where Chinese workers are paid a pittance to work in foreign-funded, cheap-exports factories. But all is not well in the SEZs. Working conditions and over-long hours are so bad that, according to reports in the European press from the coastal cities, an average of 500 people die in industrial accidents each week. For many millions more, there is no work at all. Of the 30 million unemployed peasants who will reach the coastal cities this year, only one-third will find any work; the rest will walk home or turn to crime, an ever-growing problem in China's cities.

In this situation, the TV appearance of the other leading "Ancient," Chen Yun, 88, at the New Year, was his first in well over a year. Chen's influence, especially on economic policy, is second only to Deng's. But Chen's appearance was different. In contrast to Deng, Chen appeared very much alive.

Chen presents other contrasts to Deng. One of the oldest communist ideologues in China, he is known for his "bird-cage theory" of economics, which says, in essence, that the free-market "bird" should only be allowed to fly within the confines of a planned economy "cage"; otherwise, the bird will "fly away." Throughout his long career, Chen has consistently warned of the dangers of overly rapid growth. On the TV evening news Feb. 9, Chen was shown saying that

"there are still quite a few difficulties and problems" in China, and stressing the importance of a strong central government. According to the official Xinhua news agency, Chen praised China's economic development, but said that special attention was needed to prevent the scale of construction from exceeding the nation's economic capabilities.

In contrast, Deng did not speak on television. He was shown at a reception in Shanghai with city officials and at an earlier event, inspecting the new bridge in the city. Deng, the announcer said, had recited a "poem": "Watching in joy roads built today, is better than reading for scores of years." Deng also said Shanghai "has good conditions to be developed faster," Xinhua reported.

China's economy may not be growing

In fact, serious questions are being raised inside China as to whether the economy is growing at all. A commentary in the official *Economic Daily* in January warned that local governments are "blowing up" their growth rates, but "you can only blow the balloon up so much before it pops. So it is with the economy. Some counties have become so competitive with others that they 'blow' their industrial output value out of proportion when reporting their output. One county reported that its industrial output value doubled in 1992, despite its consumption of industrial electricity increasing by only 14%. . . . These enterprises and townships usually have two sets of statistics—one for departments they report to and the other for themselves. The figures in the first set tend to be greatly exaggerated." Local officials exaggerate figures in order to increase their bonuses or to hold onto power, the article said; and some under-report figures to avoid paying taxes. "Such misreporting will cause the government to lose credibility and support from the people," it said.

The report recalls one of the greatest disasters of Chinese history, Mao's 1959-61 "Great Leap Forward." Mao had demanded impossible economic growth, and he got it—but only in the gross lies of the figures reported by party officials. Food and industrial production collapsed; tens of millions starved. During this period, Deng, the ultimate pragmatist, followed the Mao line. But Chen Yun, as even Deng had to later admit, alone refused to go along with the lies, and tried to warn of the coming disaster.

The contrast between the old, shuffling Deng, barely able to respond to those around him, and Chen, who, although confined to a wheelchair, engaged in lively discussion, had a big impact on the Chinese population, observers say. It underscored that a lot could depend on which of the Ancients dies first. If it's Deng, Chen or his adherents could move to curb the pace of the reforms. Especially important to Chen are the state-sector industries, many of which are threatened with shutdown and layoffs. Whether Chen would prevail is an open question, but the events of Feb. 9 should be a warning to those touting Deng's "reform" policies as the future of China.