

# CHINESE FASCISM: THE DENG HITS THE FAN

**T**he orgy of anti-communist snivelling in which the bourgeois press has wallowed all summer cannot obscure the truth about the bloody events last June in China.

**T**he “pro-democracy” movement represented would-be Western-style entrepreneurs unsuccessfully attempting to supplant the ruling Deng/Li clique of state capitalists and big-time privateers. From a class point of view, the student demonstrations and their ruthless suppression did not pit good guys against bad guys. Rather, this struggle arrayed one gang of exploiters against another in a contest to become or remain top dog. Their rhetoric to the contrary, the demonstrators reflected an infantile form of yuppiedom yearning to achieve the status of corporate raiders. The massacre of students in Tienanmen Square demonstrates the deadly logic of capitalist restoration throughout China.

**F**urthermore, the apparently clearcut victory of the Deng/Li bunch over the so-called “moderate” (read pro-U.S. imperialist) forces represents a staggering blow to the U.S. ruling class. Bush & Co. made desperate, crude, painfully obvious attempts to intervene on the Zhao side while the demonstrations were underway. The CIA, the U.S. Information Agency, the TV networks, the press and every political hack from the “liberal” Rep. Stephen Solarz to the overt fascist Sen. Jesse Helms lent a hand to portray the Chinese students as freedom fighters and martyrs. The

crocodile tears and Fourth-of-July rhetoric were a strategic and tactical flop. U.S. influence is waning in China, and U.S. bosses' dreams of megaprofits off the backs of Chinese workers have at the very least been put on hold. These developments generally favor Soviet imperialism

Finally, the horror of China's new capitalism is such that Deng & Co. must justify their brutal acts as necessary to preserve the revolution. Throughout this century, hundreds of millions of Chinese have fought and died for communism. Millions of their survivors and descendants still believe in an egalitarian way of life. The same Deng who took power mouthing the slogan: "To Get Rich is Glorious" must now defend his vile acts in the name of communism because he dares not tell the truth, fearing to spark a genuine revolutionary Left. His demagoguery in turn allows U.S. and other international capitalists to unleash torrents of anti-communism and red-baiting. Communists and pro-working class progressives must grab the red flag away from these fascist murderers and expose their lies.

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## NEVER HAVE SO FEW OWED SO MUCH TO SO MANY

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Capitalism returned to China on a socialist base. In the PROGRESSIVE LABOR PARTY's strategic document *Road to Revolution III*, we analyzed the right-wing errors that led to the defeat of the Great Proletarian Cultural Revolution (GPCR). The Deng forces, who stood far to the right of the classic Maoists, had consolidated power by 1983. U.S. imperialism had been billing and cooing with Mao & Co. since the Nixon years. With Deng's triumph, the grand passion grew hotter and heavier.

The same politicians and media who now revile Deng as a "totalitarian" killer praised him to the skies throughout the 1980s as a liberal-minded reformer who opened up China to U.S. investment. Deng's *Central Document Number 1 for 1983* drew up the blueprint for such wheeling and dealing. It:

- legalized the private hiring of labor, the private purchase of large-scale production equipment, the pooling of capital for private investment and the leasing

ing of collective property to individual investors;

- allowed individuals to lend money at usurious rates;
- granted tax holidays to new private businesses and authorized private bank loans for venture capital;

cut off credit to the existing socialist village brigades;

- granted more favorable credit conditions to private business as the business grew in size;

- conceded private contractors the right to hire and fire, to set wage levels and profit margins, and eventually (depending upon the extent of reinvestment) to convert the entire enterprise into private property (See William Hinton's "Response to Hugh Deane" in the March 1989 *Monthly Review*).

*Central Document Number 1 for 1983* quite simply paved the way for the greatest, most rapid giveaway ever of collectively owned property. In one stroke, Deng & Co. allowed a tiny ruling clique and their cronies—party cadre, their families, and assorted sycophants—to steal the agricultural and industrial productive forces that Chinese workers and farmers had fought and toiled over decades to develop. Deng permitted the new bosses to buy capital assets at a tiny fraction of

their real value with easy credit from state banks—and then not to pay back the loans. "It is doubtful," writes the U.S. Maoist, William Hinton, "if, in the history of the world, any privileged group ever acquired more for less."

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## A TALE OF TWO CAPITALIST FACTIONS

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Once the capitalist roaders had smashed the egalitarian left and the Cultural Revolution, the main disputes in Chinese ruling circles concentrated on the most suitable form for capitalist development.

Two groups took shape. The main force of power holders included and still includes the Deng/Li clique of "Communist" Party bureaucrats who use the state apparatus as a profit-generating exploitation machine. They control the lion's share of the economy's public sector. They are in alliance with the most significant of the private enterprise forces, whom Mao had always tolerated as long as they remained "patriotic" nationalists and who re-emerged from obscurity or disgrace after the Cultural Revolution. One such "Marxist Millionaire" is China's richest man, Rong Yiren.

Rong hails from an old-line Shanghai bourgeois family and is a close ally of Deng, who personally rehabilitated him after the GPCR. Rong holds a fortune worth a billion dollars and controls 200 firms around the world, with offices in Hong Kong, Tokyo, Paris and Frankfurt; forests in the U.S.; and factories in Australia and Canada.

However, Deng's *Document Number One for 1983* had unwittingly opened a Pandora's box. It not only stimulated monopoly capitalism on a socialist base, it also launched a huge epidemic of individual entrepreneurship. By the time of the Tienanmen demonstrations, China had fourteen and a half million, mostly small, private businesses

The anarchy and chaos of capitalist production rapidly began to cripple the Chinese economy. Eighty percent of the cash in China was circulating outside the official banking network. The new bosses didn't want to give the Beijing home office its cut. They began scheming to avoid tax payment to the central government. Provinces started stationing armed guards at their borders to prevent raw materials from leaving and falling into the hands of competitors in other

provinces. (An analogous absurdity would have the Texas Rangers standing at the Oklahoma border to prevent the transportation of Texas oil to a New Jersey refinery.)

The overproduction crisis in which the rest of the world currently wallows came to China like a nightmare tape recording played on speed-up. A two-tiered price system creates instant millionaires while gouging workers. Inflation rages annually between 20 and 30 percent. Food prices alone rise 50 percent a year. Perhaps 20 or 30 percent of the urban labor force is looking for work, prompted by a government-sponsored "austerity" plan to cut fixed investment and eliminate more than 10 million construction jobs. A migratory unemployed population of 50 million (equivalent to more than 90 percent the population of France) has flocked to the cities with no permanent residence, sleeping in parks, railway stations or slums.

Sound familiar? Unemployment, inflation, homelessness, prostitution, drugs, wide corruption led by government officials and "C"P bureaucrats. Now that he is about to leave office, New York's racist ex-Mayor Ed Koch

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## ON THE DUNG HEAP IN CHINA

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ought to retire to become a consultant in Beijing where he could recruit an entire crooked Parking Violations Bureau and Police Force without having to train them in graft.

### **U.S. BOSSES LOSE THEIR CHINA CARD**

The U.S. ruling class enthusiastically welcomed Deng's accession. They had no illusions about his class identity. They knew he was irrevocably committed to capitalism. By mid-1989, six hundred U.S.-Chinese joint ventures, with a value of \$8 billion, were doing business in China.

To a certain extent, Deng wanted to encourage such investment. However, he and his cronies had no interest in letting it get out of hand: they didn't want China to become a U.S. neo-colony. They have their own long-range imperial designs.

However, Deng/Li's version of China, Inc. isn't strong enough to constitute an independent third force in the worldwide struggle between U.S. and Soviet imperialism. Geography, logic, recent political history and con-

temporary China's own internal economic contradictions all favor an alliance with Soviet imperialism. Soviet and Chinese rulers succeeded in negotiating away their primary differences, which included, among other disputes, the large Soviet military presence along the Chinese border, the Soviet war in Afghanistan and the military adventure of pro-Soviet Vietnamese forces in Cambodia.

Now that these differences have been at least temporarily resolved, the restoration of Soviet-Chinese ties is virtually complete. The new realignment culminated with Gorbachev's visit to Beijing at the height of the student demonstrations.

But the marriage of convenience between the state capitalists of the USSR and the Deng gangsters could be consummated only at the expense of weakened ties between China and the U.S. The faction headed by the now-deposed Zhao represented the small and medium-sized Chinese bosses, the newest of new money. This gang could not match the Deng/Li clique's economic base. Zhao & Co. therefore favored accelerating the development of private investment and the mar-

ket economy far beyond the rates envisioned by Deng/Li.

The Zhao model depended on the rapid expansion of economic ties with U.S. business. Deng/Li had greater foresight. Li studied in the USSR. He speaks Russian and is known for his love of large-scale Soviet-style capital investment projects. More significantly, the vast Soviet-Chinese border makes the two countries natural trade partners; and the long-range decline of the U.S. economy argues in favor of a Chinese capitalist tilt toward the emerging Soviet-German-Japanese axis.

Anyone who analyzes events objectively can see that the Tiananmen protesters and their allies had hitched their star to the pro-U.S. Zhao faction. The class content of the demonstrations was strictly profit-oriented. At no time did the students decry the return of capitalism or the betrayal of proletarian dictatorship. Never did they demand a return to the egalitarian principles of the revolutionary Red Guards. Not once did they express militant solidarity with the millions of workers and working class youth struggling in South Africa, Latin America, other parts of Asia, indeed the world over, against apartheid, imperialism, and all the racist indigni-

ties and brutalities of the worldwide profit system.

The leaders of the Tiananmen demonstrations were the same who five months earlier had organized or tolerated disgusting racist attacks against African students in major Chinese universities. Where were the zealots of freedom then? They didn't lift a finger to support the African students. In fact, only our party and the International Committee Against Racism organized small protest demonstrations at the time against Chinese consular offices in the U.S. In doing so, we were guided by the principle of working-class internationalism militantly expressed by the left Red Guards during the GPCR.

The final tip-off about the true nature of the Tiananmen protesters came when they unveiled their symbol—a lily-white "Goddess of Democracy," a crude imitation of the Statue of Liberty. This obvious curtsy to U.S. imperialism spat in the face of the millions in China who suffered savage colonial oppression at the hands of European and U.S. bosses for centuries before the revolution. One can easily imagine the C.I.A. supplying both the idea of the statue and the artistic masterpiece itself.

## IMPERIALISM, LIES, AND VIDEOTAPE

The Deng/Li gang had to view the demonstrations as a serious threat to their state power. Such differences are rarely resolved amicably. Deng/Li called out the army. Despite wild pie-in-the-sky speculations in the pro-U.S. Western press about mutiny, the armed forces remained overwhelmingly loyal to the ruling faction. The repression spilled blood, both the demonstrators' and non-participants'. The death and injury toll was high, although probably not nearly as high as the U.S. press claimed. For weeks, the U.S. electronic media wallowed in maudlin anti-communist sentimentality over the "martyrs to democracy."

Of course, for racist terror against civilian populations, no one, with the possible exception of South African and Israeli bosses, can match the United States government over the last twenty-five years. In the original Statue of Liberty's homeland, police have been killing black youth like flies. The drug trade, abetted by U.S. government policy and corrupt law enforcement agencies, destroys millions of

young people—most of them black or Latin—annually. At current rates, nearly one in five black men will go to jail during his lifetime. In New York, where black prisoners outnumber white ten to one, the prison population is 150 per cent greater than South Africa's. School dropout rates in major U.S. cities hover around 50 percent.

The U.S. ruling class is as well qualified to shake the fist of outrage at Deng's butchery as Hitler was to upbraid the Brownshirts, his junior partners in crime. What government has slaughtered more working people around the world than the U.S., through military intervention and economic terrorism?

In the wake of the massacres, the Deng bunch went about strengthening their position. In typical fascist fashion, they executed a few opposition ring-leaders to show they meant business and to discourage further thoughts of revolt. They threw a large number of others in jail. Most significantly, in early August they cracked down sharply on China's 14.5 million individually owned businesses, when Deng launched a two-month tax-evasion "inspection" campaign aimed at squelching the new-money private bosses and re-asserting the hegemony

of the state-capitalist public sector and the Rong monopolists.

Two reactions accompanied these developments in the U.S. On the one hand, the politicians and media seized the occasion to spew the vilest anti-communism in the name of democratic principle. This campaign was both absurd and obscenely hypocritical. Absurd, because for nearly a decade, the U.S. ruling class had hailed Deng as "one of the greatest reformers in Chinese history" (*L.A. Times*, June 4). Hypocritical, because U.S. bosses, who can claim bragging rights to Pinochet, Marcos, Duvalier, Stroessner, Argentina's generals, a laundry list of Vietnamese Quislings, *et al.*, take a back seat to no one in the matter of aid and comfort to mass murderers.

On the other hand, the more lucid heads in the U.S. imperialist camp don't want to fall prey to their own rhetoric. They would have preferred a Zhao victory; nonetheless, they want desperately to continue dealing with Deng. Henry Kissinger, the Rockefeller agent who drew up the blueprints for Nixon's various genocidal "peace" plans during the Vietnam war, most clearly represents this viewpoint. His syndicated article published in late July underscores the importance of China to U.S. inter-

ests, calls on U.S. policymakers to avoid punitive sanctions, and re-asserts confidence in Deng as "the driving force behind Chinese reform." So far, the Bush White House seems to be heeding Kissinger's advice in the desperate hope that it can keep a slice of the pie it can no longer hope to eat whole.

The pre-Tienanmen U.S.-China economic courtship included a deal to give the U.S. military three listening posts in northwest China to spy on the latest Soviet missiles. The equipment used is U.S.-made. The technicians who operate it are Chinese. After Tienanmen, Gorbachev & Co. may well take advantage of their new strengthened position vis-a-vis China to demand that Deng & Co. hand over the goods. Bush-Kissinger are wetting their pants over this possibility. They can't do much more than cajole or threaten the Chinese rulers. For the time being, they recognize the impotence of their threats. The stakes for the U.S. military position in Asia are enormous. One U.S. "intelligence" source told columnists Evans and Novak: "It would be devastating if (the Soviets) got it all" (*New York Post*, June 8).

Despite the feeble maneuvers plotted by Bush, Kissinger, and other Washington bumblerers, the

long term will bring sharpened contradictions between U.S. and Chinese capital. To be sure, the love affair between Beijing and Moscow will have its rocky moments. Each camp has its own interests. Nonetheless, collaboration is and for the foreseeable future will remain the main aspect of relations between the Chinese and Soviet rulers.

The U.S. bourgeoisie is going over Niagara Falls in a barrel. Their international maneuverability is dwindling. Increasingly isolated by the defections of their former allies and by the hostile realignment of the world's economic powers, the Washington/Wall Street tattered moneybags find themselves forced into the desperate inevitability of a hemispheric "Fortress America" bunker mentality. Soon they will have to send in the troops somewhere to protect the sinking ship. Latin America appears the likely target. However, regardless of the contingencies that may arise, recent events in China have clearly added fuel to an already inflammatory international situation. They have hastened the outbreak of the next world war.

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## **SOMETHING OLD, SOMETHING NEW**

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Inter-imperialist rivalry, the shifting sands of bosses' alliances, and profit wars are as old as capitalism. However, a new element has entered the picture. The Soviet and Chinese emperors still insist on calling themselves communists. Deng pointedly justified his crackdown as a necessary measure to squelch the counter-revolutionaries. He and Gorbachev fear the wrath of millions who remember what life was like in a socialist society whose leaders sincerely wanted to achieve communism. Therefore, like all craven opportunists, they still cling to the name or communism, just as Bush and the rest of the U.S. ruling class demagogically wrap themselves in the flag of democracy.

Thus, inter-imperialist competition has spawned a new stage of worldwide anti-communism. As the Deng clique has most recently proved, anti-communism, capitalism, and fascist brutality are absolutely interdependent.

In the face of these developments, should communists and militant workers abjectly capitulate? Absolutely not! We have a mountain to climb, but we

mustn't allow the task to daunt us.

As always, facts reveal themselves to be most stubborn things, and the facts show that the working class and humanity in general have strode forward only under communist leadership. An article in this issue or THE COMMUNIST describes the brilliant achievements of Soviet society under Stalin's leadership, despite many weaknesses and eventually fatal errors.

Similar developments took place during the Chinese revolution and the GPCR. The energies of workers and peasants strained for a chance to win an egalitarian life. The Chinese working class, like its Soviet predecessors, showed the miracles humanity can perform when guided, however imperfectly, by communist principles.

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## **REVOLUTION WILL DUMP ALL BOSSES ON THE DENG HEAP**

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The recent struggle between the Deng/Li gang and the Zhao new money entrepreneurs was a heads-they-win-tails-we-lose

proposition for workers. Our class has nothing to gain by fostering illusions about "lesser-evil" plutocrats.

By the same token, in the factories, on the farms, in the cities, in the schools and on the campuses of their vast country, millions of Chinese workers and students must be comparing the greedy ruthlessness of their present rulers to the honesty and selflessness that characterized life when China was a proletarian dictatorship. The re-emergence of a real left in China, of a revolutionary communist party planning and organizing to win state power for the working class, is only a matter of time.

Communism is still a better idea. It always will be. Our Party wants to grab the red flag away from sleaze merchants like Deng and Gorbachev. We have full confidence that workers and their allies in China, the Soviet Union, and everywhere else will want to do the same. Our class and our movement have a long and glorious history. We will eventually win because workers are the majority and because only communism can meet our needs.

*By A.T.*