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China in 1990: A Japanese Perspective

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A year has passed since the Tiananmen incident, and the world is gazing at China, trying to figure out the current situation there and the prospects for the future.

The historic democracy movement that was suppressed on Tiananmen Square on June 4 last year was, in my view, tantamount<sup>1</sup> to a counterrevolution staged by students, intellectuals, and ordinary citizens awakened to a new political consciousness. In this sense, the movement was not merely seeking short-term political reform; it was fundamentally challenging the one-party dictatorship of the Chinese Communist Party. This explains why senior Chinese leader Deng Xiaoping and other party executives acted so decisively to suppress it.

The crowds of demonstrators in the square posed an especially serious threat to the Chinese leadership because around the time of Soviet leader Mikhail Gorbachev's visit to Beijing in May, the popular movement became tied up with an internal power struggle in the party. This power struggle was evident, for example, in remarks made to Gorbachev by then General Secretary Zhao Ziyang distancing himself from the regime's actions under Deng and Premier Li Peng. Around the middle of May, we may conclude, the Chinese leadership was splitting in two. This set the stage for the tragic events of June 4.

The seriousness of the situation can be surmised from the fact that the People's Liberation Army deployed some 350,000 regular troops around Beijing in addition to using some 100,000 soldiers to rout the protesters on the square, whose numbers had by then dwindled to merely 3,000. This display of force was not just to quell the dissatisfied students; it was part of a serious political drama--verging, in fact, on a civil war--in which the party's hard-liners moved to oust the reform faction led by Zhao Ziyang and eradicate the forces seeking democracy and reform.

In the months that followed, the government unleashed a sweeping reign of terror, and even after martial law was lifted on January 11, 1990, security officers working with the Chinese People's Armed Police Force continued to guard against disturbances in Beijing. Still now, a year after Tiananmen, the stance of wary vigilance has not been relaxed.

#### Tiananmen Square 1990

The mood of Beijing under this state of emergency was quite palpable to me when I went there in late April and again in early May. The democracy movement last year had gained significant momentum on the anniversary of the famous May 4 Movement of 1919, when students had first gathered to denounce the government and demand democracy and modernization, but this year the day passed uneventfully. About all there was to be seen on Tiananmen were the red flags commemorating May Day and the large statue of Sun Yat-sen in the center of the square.

As it happened, I had just returned to Beijing from North

Korea. In the evening I took a taxi from my hotel to Tiananmen to see what was going on, and because I wanted to take some photos, the driver kindly made a right-hand turn to stop the car in front of the Great Hall of the People. But it seems that right-hand turns were not allowed there. A policeman immediately came over to the taxi, asked the driver for his license, and took him away for nearly half an hour. I was also questioned by the security personnel--which caused me some very anxious moments--but the rest of the time I was left alone in the car.

Awaiting the driver's return, at one point I happened to glance up and see a large contingent of the People's Armed Police marching by. Arranged in a succession of groups, each composed of several dozen officers, the police troops materialized out of nowhere to the south of the hall, headed across the square, and disappeared in the direction of the Museum of Chinese Revolution, which is still being used to billet them and PLA personnel and is closed to the public. Altogether several hundred personnel passed as I watched.

The Chinese authorities have adopted a policy of severity mixed with lenience. Though poised to crush any democratic resurgence of the democracy movement, they recently released over 200 activists arrested in connection with Tiananmen. Among them was Dai Qing, a reporter for the daily *Guangming Ribao* who played an active role in last year's movement. But Professor Zhang Xiaoping of the China Politics and Law University in Beijing, arraigned on charges of antirevolutionary agitation directed at the students on the square, has been sentenced to 15 years of penal servitude.

Recently, meanwhile, Chai Ling, a Beijing Teachers' University student who was one of the stars of the movement, managed to slip through the meshes of the security cordon and depart from China, surfacing in Paris. Her escape seems to have been a painful slap in the face for the Chinese authorities.

Premier Li Peng has tried to play down news of this sort. "Because China's so big," he has observed, "it's only natural that a few people get away." Nonetheless, the powers that be have been doing everything they can to contain the dissidents. The Ministries of Public Security and State Security have tried to cover every corner of the nation with a blanket of informers, enlisting the cooperation of all organizations down to the level of the watchdog neighborhood committees. The fact that Chai Ling escaped despite this effort indicates that an underground resistance organization still exists in China and that it is opposing the communist regime with the help of networks of regional and family ties and prodemocracy sympathizers.

#### Bottling up explosive forces

China insists that it will resolutely uphold socialism and preserve the leadership role of the Communist Party. It feels that it must desperately defend itself from the historic changes taking place in Eastern Europe and the Soviet Union and the wave of democratization that has reached as close as the neighboring People's Republic of Mongolia. It remains to be seen, however, how long the present authoritarian system will last.<sup>2</sup>

Recently, the authorities' policy of extreme retrenchment

has caused a severe slowdown in the Chinese economy. The so-called township enterprises that appeared in great numbers after the rural communes were dismantled have been hit hard by the inconsistencies resulting from piecemeal steps toward a market economy, and many have gone bankrupt or closed down. The workers in the disbanded enterprises cannot go back to their old farming jobs, since agricultural reform has produced a new class of productive (and well-to-do) farmers. As a result, many of these people have joined the ranks of the jobless.

The number of people now drifting around the country without regular employment is estimated to be between 70 million and 100 million. Under the influence of the money-worshipping attitudes inculcated by economic liberalization, these people go wherever they think they may be able to earn even slightly higher wages. Congregating in vast flows, they have been flooding into the cities and creating a tide of "economic refugees" attempting to find work in other countries.

Another pressing problem is the debt burden China has built up over the past decade of its open-door policy. The repayments are now beginning to fall due, and during 1990 they may reach nearly \$10 billion. Already there have been reports that some

regional governments are in arrears in their repayments to Japanese banks, and the situation is probably serious throughout the country.<sup>3</sup> The days of galloping inflation are past, but inflationary pressures remain strong. Faced with fiscal constraints and shortages of foreign exchange, the government has been printing huge amounts of paper money, and the resulting overhang of cash will continue to pose a threat to price stability for some time.

In summary, the strong measures taken by the Chinese government are keeping the lid on the situation for the moment, but potentially disruptive factors remain. Depending on the developments in the economy, there could even be a mass uprising of some sort in the not-too-distant future.

#### Playing the waiting game

Having experienced the tragedy of June 4, the activists and intellectuals in the democracy movement can be expected to proceed with the utmost caution. In view of the advanced age of their opponents, moreover, time is on their side. Deng Xiaoping's eighty-sixth birthday is coming up, and Chen Yun, another important behind-the-scenes actor, is almost as old and also infirm. Elder statesmen Li Xiannian and Peng Zhen, as well as State President Yang Shangkun, who controls the army, are all

very old men. China's first generation of revolutionaries will be fading from view over the next several years.

The advocates of democracy and liberalization will also be matching their timing to changes in economic conditions. If the centrally planned socialist economy reaches an impasse, dissatisfaction is likely to spread nationwide instead of being confined mainly to Beijing and a few other cities, as was the case last year. Thus, though the first anniversary of Tiananmen passed quietly, grass-roots opposition could explode quite suddenly if the necessary conditions gelled.

In the context of this uncertainty, serious fissures have appeared at the center of the Communist Party. Deng, in the background, appears to be trying to balance the struggle between such veteran party executives as Li Peng, Yao Yilin, and Qiao Shi and the newcomers who have risen to the fore since Tiananmen, notably the new Politburo Standing Committee members Jiang Zemin, Li Ruihuan, and Song Ping. These two groups can be seen as having taken clearly opposing stands on the decision to lift martial law and the measures adopted to tighten the economic reins.

At present the focus is on the confrontation at the top between Premier Li and Jiang Zemin, the new general secretary. The split between these men is becoming increasingly apparent. But the rise of Li Ruihan, a former mayor of Tianjin, is also drawing attention. He is emerging as a leader of the liberal forces who may one day reach the top. He and the other newcomers may be aiming to consolidate secret ties with the reformist followers of Zhao Ziyang and map out a strategy to restructure the Chinese leadership in a way that fits the changes in Eastern

Europe and the Soviet Union. In this way a renewed battle for power cannot be ruled out in the context of China's current political confusion and social stagnation.

Factors like these may well have had a cautionary effect on China's students and intellectuals, encouraging them to bide their time rather than gear up for another futile show of force on the first anniversary of Tiananmen. Sooner or later China is bound to be affected by the upheaval in the former Soviet empire and the economic and social development in the Chinese societies of Taiwan and Hong Kong<sup>4</sup>. External pressure of this sort will eventually become irresistible.

## Note

1. For further details on my view, see my book; Mineo Nakajima, *Chugoku no Higeiki* (The Tragedy of China: Where Will Deng Xiaoping Navigate China?) (Tokyo: Kodansha, 1989).
  
2. In my view, it may be difficult to maintain the present political system up to 1997 when Hong Kong will become a special administrative region of the People's Republic of China.
  
3. The Yen-denominated loan has already amounted to about 800 billion yen by the year of 1989. Including the third loan for 1990 and after, which adds 810 billion yen more, it sums up to 1,610 billion yen. If there will be the fourth or fifth yen loans in the future, the total may be equivalent to the reparations for war losses which China asks for.

It is debatable to what extent these loans are effectively used in China. Official assistance including ODA should be used much more, for example, for the hosting of the foreign students, especially for the ones who come to Japan at the governmental expenditure (accepted by the Ministry of Education), which is really rare up to the present. These ways of giving official assistance to China will surely be able to meet the requests of the Japanese people.

Besides, if Japan continues to give loans blindly to China, they may exceed the ability of Chinese government to repay the foreign debts, and cause the default on an obligation. Yen loan has the rate of interest of 2,5-3,5% a year. Increasing of the accumulation in China's foreign debts, which is estimated to be about 46-47 billion U.S. dollars, may cause China's economic bankruptcy.

4. As is well known, everything about Hong Kong is solely dependent on the future of China mainland. However, it seems fair to say that, today, the Chinese Communist Party has little legitimacy left by long years of misguided policies, setbacks in socialist construction, and corruption within the party. In this national crisis for her existence as the PRC, mainland Chinese society would receive a tremendously large influence from the outstanding socio-economic energy of Hong Kong and Taiwan.