

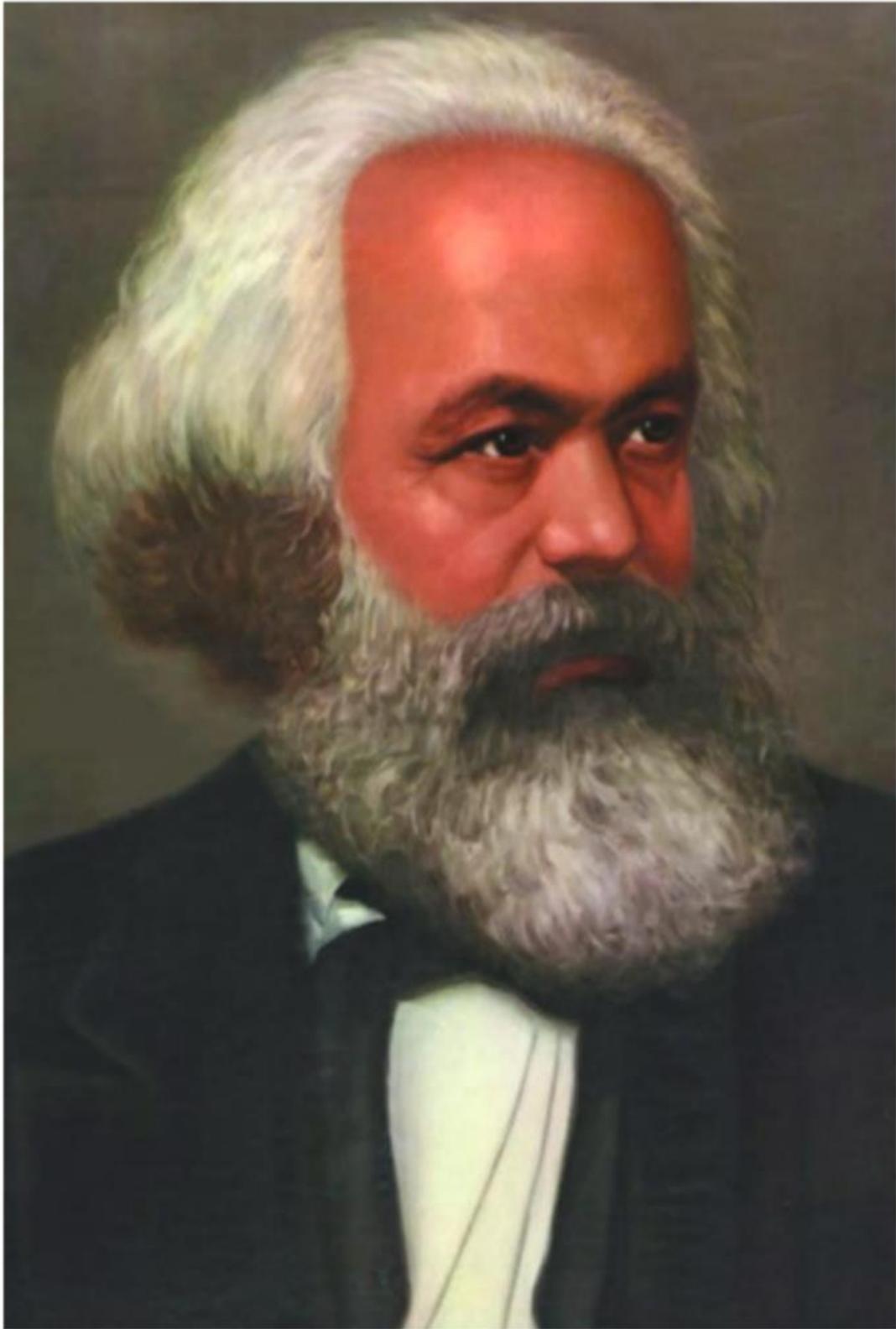
History Project of the Republic

The history and logic of revolution and restoration



共和国的历程

革命与复辟的历史与逻辑





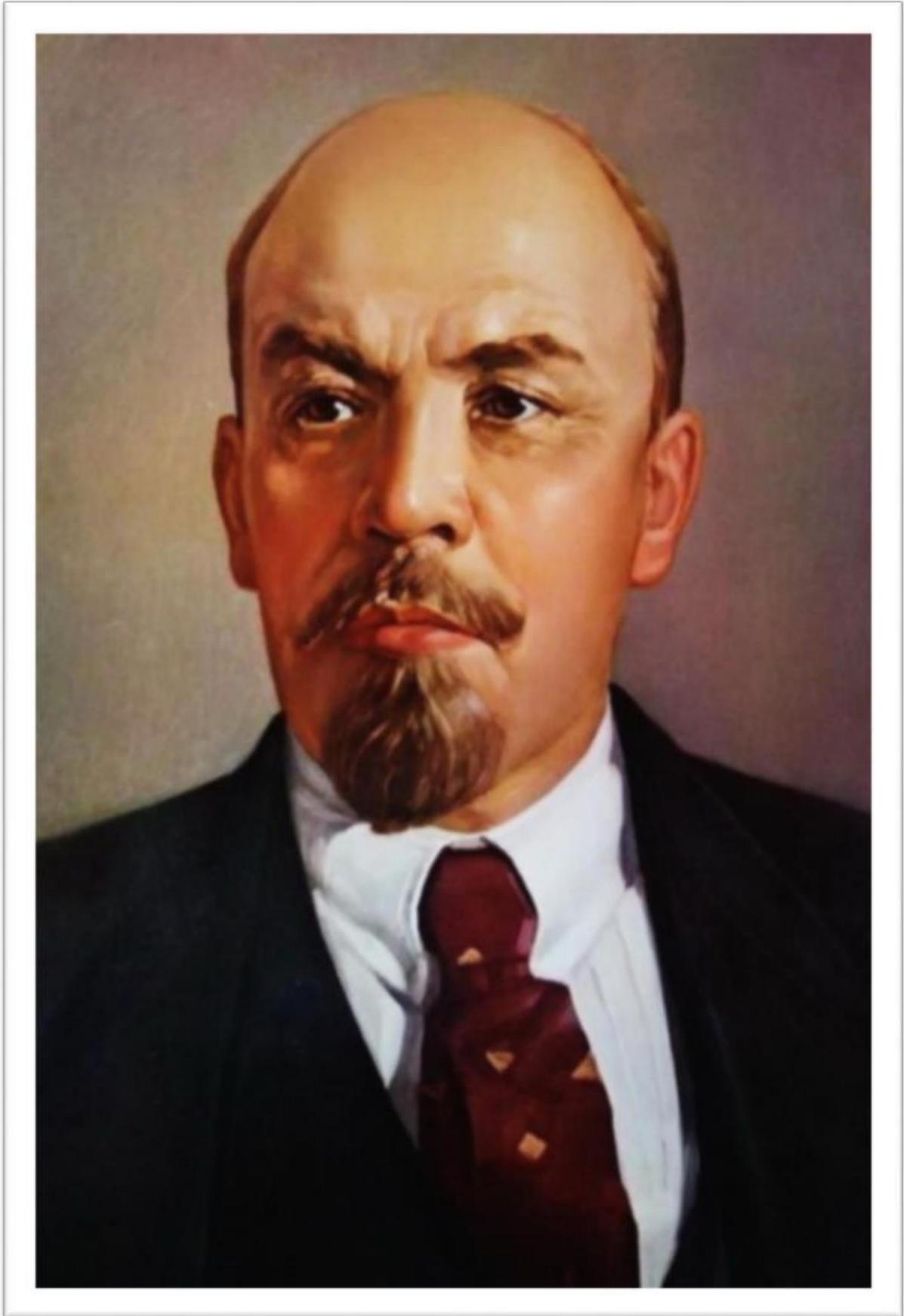






Table of Contents

Translator's Preface.....	8
Introduction	9
Introduction A Poor Old China, the Iron Curtain Falls on the Cold War of Social Capital	15
Chapter One: Establishing and building socialism in the struggle between two lines	21
Section I. The democratic revolution is not yet complete, the three great mountains have to be overthrown	21
Section 2: The transition to socialism begins, but the differences between the two lines deepen	41
Section 3: The Great Leap Forward of the People's Commune, bureaucracy causes misery	72
Section 4 The Four Clean-up Campaigns Against the Restoration, The First Attempts at Class Struggle	104
Chapter 2 The Great Proletarian Cultural Revolution	119
Section I. Literary Criticism Unveils the Prologue, White Dictatorship Creates Terror.....	119
Section 2: The class struggle erupts, the mountains and rivers are red and rosy.....	140
Section 3: The "February Backlash" Purge, Lin Biao's Tyranny Finally Fell	166
Section 4: "Criticism of Lin Biao and Confucius" again set off the waves, the sunset is finally sad	186
Chapter 3 The Establishment of Bureaucratic Monopoly Capitalism	206
Section I. The Moderates End in Disgrace and the Capitalist Roaders Take Full Power.....	206
Section 2: The initial reform of decentralisation and profitability, the direction of the commodity economy.....	224
Section 3: The "price gate-crash" leads to turmoil, private capital in turmoil	260
Section 4: The September 2nd Southern Tour Sets the Tone, Bureaucratic Monopoly Finally Established	288
Chapter 4 Towards Imperialism.....	324
Section I. The New Deal improvements have not yet reached their source, but the economic crisis is inevitable.....	324
Section 2: "One Belt, One Road, Asian Investment Bank", emerging empire ambitions in all directions.....	339
[Main references].....	353
Postscript.....	355

Translator's Preface

This document, presumably written sometime between 2016 and 2019, fell off the back of a truck one day when a link to it was passed onto our Party by Chinese comrades. One look at the five portraits that introduce the book, and a second look at the contents page, was enough to convince me that a translation would serve to further clarify China's position as a formerly socialist country that had embraced the capitalist road and had now embarked on the highway of imperialism.

Such an analysis would confirm the position our Party has taken in various writings on China, such as *Explaining China: how a socialist country took the capitalist road to social-imperialism*, and other articles we have carried in our theoretical journal, *Australian Communist*.

The authors of the Chinese original of this document must remain anonymous given the persecution of genuine Communists by the monopoly capitalists inside and outside the Communist Party of China and the dictatorship of the bourgeoisie they use to enforce the rule of their class. It is believed that there is a connection to the Beijing University Marxist Study Group which had openly supported the striking Jasic workers at Guangzhou in 2019. That Group was made to "reform" itself thereafter, and now studies Confucianism rather than Marxism-Leninism and Mao Zedong Thought.

This book, banned in China, traces the history of all the major contradictions within the Communist Party of China both during and after the period of Mao Zedong's leadership. It explains why the genuine Left was unable to carry on Chairman Mao's behest to continue the revolution under the conditions of the dictatorship of the proletariat, and then examines the contradictions between the different groupings of capitalist-roads who seized power after Mao's death; the struggle between them, on the one hand, and their collusion, on the other, to strip the workers and peasants of their rights and to suppress them under a bourgeois state machine of inherent violence.

There is a wealth of statistical detail accompanying each twist and turn along the road to the creation of monopoly capitalism in China. But there is also an analysis of how bourgeois "humanism" and other non-proletarian ideologies have become part of a commercialised cultural landscape that has depoliticised those whom Mao Zedong had hoped would be the successors to the cause of restricting bourgeois right and moving China further along the socialist road and in the direction of Communism.

The polarisation that has replaced the socialist era's strivings after an elimination of class differences, has resulted in an elite of billionaires sheltering under a Communist Party that now oppresses the poorer and less wealthy majority which it had once served wholeheartedly. It reminds me of the Biblical query: "What profiteth it a man that he shall gain the whole world and lose his own soul?"

The Chinese bourgeoisie is a ruthless, soulless class that swapped "serve the people" and "fight self, repudiate revisionism" for the "glory of (some) getting rich".

I heartily recommend this document to anyone who still harbours the illusion that China is socialist.

When Australian workers succeed in their own socialist revolution, studies like this will help us to prevent a similar retrogression. We thank our Chinese comrades for the invaluable lessons they have provided in this study.

Nick G.

Translator and Chairperson, Communist Party of Australia (Marxist-Leninist), August 2022

Introduction

Time flies. It has been nearly 40 years since the start of reform and opening up in 1978. However, the reform ship has not sailed to its promised land.

What has come out of 40 years of reform is not the realisation of the promise of "some getting rich first, others getting rich later" and "common prosperity", but the growing gap between the rich and the poor.

Instead of social stability and harmony, social contradictions have accumulated and intensified.

Instead of the liberation of human beings, the masses of workers and peasants are generally enslaved.

It is time to reflect on this reform, which involves the fate of hundreds of millions of people, and to make a real rectification of the historical problems.

It is time to discuss the way forward for China and the world.

One. The proletariat versus the bourgeoisie

The secret of Chinese society today is no different from the secret of all capitalist societies, which is concealed in the capitalist relations of production. Day in and day out, workers perform long and arduous physical or mental labour, creating society as a whole and generating enormous productivity, but for a meagre wage that is barely enough to make ends meet. Workers' wages are always just the cost of maintaining a minimum standard of living and reproducing, and this will not change as productivity advances.

Sky-high property prices have made buying a home impossible for workers. While the whole society preaches the family ethic of warmth and affection, workers are forced to leave their homes, their families are separated by thousands of miles and it is difficult to reunite them, and couples who work together are forced to share a simple shed with other workers. The life of a slave is unsustainable due to the unbearable cost of medical care when illness and other disasters strike. The distribution of resources for education according to income was becoming more and more of a reality, and thus the only avenue of advancement that the working class had hoped for was closed.

Technological progress and the expansion of industrialisation have led to the spread of machines in almost every field of industry, and workers have become increasingly subordinate to them, repeating mechanical actions over and over again. The construction of industry has brought about a society that is well-equipped but mentally and physically deformed; huge projects have created magnificent buildings and wide roads for cities but left workers with overcrowded slums and dirty lanes; technological development has created enormous productivity but workers remain in severe mental and material poverty.

Not only were workers unable to determine policy and lead social production, but even participation in politics became impossible. When workers struggled for the relatively favourable conditions of slavery, the whole apparatus of violence, the labour offices and the police, the triads and the Union Guard, even the armed police and the army, turned their guns on the workers and crushed the ranks of the workers. The mastery of the working class is only in the constitution, not in reality at all!

The working class, which created the whole world, has lost its minimum dignity as a human being. They are insulted and abused, and lazy, unqualified, dirty and smelly have become their identity labels. Since capital and money have become the standard of value for society as a whole, workers,

who are the appendages of capital and who are exploited and have nothing to lose, have naturally become the most undignified and worthless people in the whole society. The value of the workers was not recognised, the voice of the workers was not heard, and they had long since ceased to be what the bourgeoisie called citizens.

In contrast, the bourgeoisie, by virtue of their possession of the workers' dead labour - their capital - can live a life of abundance by exploiting them for nothing. Luxury houses, luxury cars, watches and handbags, all these things make up the magnificent appearance of the bourgeoisie. The sons and daughters of the bourgeoisie receive a world-class education in aristocratic schools, in glamorous surroundings, and once they leave school, they can continue to occupy the top echelons of society with the resources they were born with. The bourgeoisie occupy, and seek to occupy for generations, all the material and cultural wealth of society, building their own wealth and power, democracy, civilisation and harmony.

In collusion with government officials, or by entering government directly, they plunder the wealth that belongs to the people, thereby expanding their own wealth and the capital on which they rely to dominate the working class. They mobilised the machinery of violence, ready to destroy the slaves who dared to resist. They entered the government and merged with the bureaucrats, turning it into an agent of the bourgeoisie. The government does not hide its bureaucratic bourgeois nature, as it controls the lifeblood of society and makes huge profits for itself through bureaucratic privileges.

It is these bourgeoisie, who live off exploitation, who have won all the honours of society. They are the personification of diligence, intelligence, civilisation, nobility and beauty, and they use all the power of the media to whitewash their sins; they become the embodiment of social justice. All public channels of speech have become the domain of the bourgeoisie and their mouthpiece.

The wheels of capitalism have not stopped at all, they have swept in all other classes. Small farmers could no longer make a living from agriculture and had to leave their homes and become slaves to capital. Doctors, lawyers, engineers, teachers - all intellectual workers - lost their halo of sanctity and became the instruments of capital's profit. The small owners struggled to maintain themselves and had only two ways to go, either to succeed in rising to the ranks of the exploiters - which were only a minority - or to fall into the ranks of the proletariat.

Society as a whole is increasingly divided into two class oppositions - the bourgeoisie and the proletariat - and such class oppositions are expressed in the bourgeoisie's political, economic and cultural enrichment and domination in all respects, and the proletariat's corresponding impoverishment and domination in all respects.

However, in the century that has just passed, nearly half of the world's proletariat fought and shed their blood to change the status quo, and established a socialist system.

II. Why did the reform and opening up take place?

In response to this question, bourgeois scholars and politicians have tried hard to formulate an explanation that seems convincing: the socialist system has caused economic stagnation and social ossification, capitalism is the only solution to save society, and capitalism is the end of history.

There is no denying that China's economy has grown enormously since the reform and opening up. But technology is advancing by leaps and bounds, industry is expanding, and such development is inevitable as long as the economic crisis has not destroyed capitalism, as long as imperialist wars have not occurred for the time being, and as long as a country has not been reduced to an

imperialist colony or semi-colony. Socialist China's economy also developed rapidly, no less than after the reform and opening up.

In terms of GDP, as measured by the current exchange rate method used by the United Nations and the World Bank and most countries¹, GDP increased from US\$19.43 billion in 1949 to US\$216.51 billion in 1978 and US\$4,329.24 billion in 2008, an increase of 10.14 times or 8.65 per cent per annum in the first 29 years the second 30 years were 18.99 times higher, an annual increase of 10.5%, the first 29 years being 1.85 percentage points lower than the second 30 years.² It can be argued that, excluding the effects of inflation, economic growth was actually higher - or at least no worse - before the reform and opening up than it has been since, not to mention the fact that processes that do not create value or use value at all, such as the buying and selling of land, account for a significant proportion of the gross product.

The value added of industry increased from 5.05 billion yuan in 1949 to 160.7 billion yuan in 1978 and 129.112 billion yuan in 2008, an increase of 42.48 times or 13.9 per cent per annum in constant prices in the first 29 years and only 25.63 times or 11.55 per cent per annum in the last 30 years. This is 2.35 percentage points higher in the first 29 years than in the second 30 years, indicating that the industrialisation process was faster in the first 29 years than in the second 30 years. It was faster than the US 4.45%, Japan 12.05%, Germany 6.65%, UK 2.5%, France 5.1%, Italy 7%, Canada 5.4%, Australia 5.35% and the USSR 9.5% in the same period (1950-1978). Measured by the exchange rate method, the increase from US\$2,405 million in 1949 to US\$95,650 million in 1978 and US\$185,940 million in 2008 represents an average increase of 13.55% in the first 29 years, which is 3.15 percentage points higher than the annual increase of 10.4% in the last 30 years.³

The so-called inefficiency of public enterprises is actually due to the narrow vision of the bourgeoisie. They think that how can there be motivation without clear property rights and material incentives? However, this was only the case in a capitalist society. Under socialism, factories were owned by society as a whole, and in the final analysis belonged to every worker, who was responsible for all aspects of their welfare, such as health care, education and housing. Moreover, in the mass movement, workers were able to take charge of their own political, economic and cultural affairs, so how could they not be motivated? The decline in the efficiency of state enterprises actually occurred in the 1980s, when state enterprises were restructured, and how could there be efficiency when workers had no ownership and factory managers were corrupt?

In the case of agriculture, food production rose rapidly from 1978 to 1984 and then stagnated from 1984 onwards, but it is not logical to assume that this was the reason for the increase in food production, since land contracting began in 1982 and ended in 1984. In fact, the increase in agricultural production was mainly due to technological developments.

The first was the seed revolution. From the 1970s to the early 1980s, a seed revolution took place in various crops such as rice, wheat, cotton and oilseeds, which played a crucial role in increasing the

¹ At the end of 1949 at 2.1 Yuan per US dollar, 1978 at 1.6836 Yuan and 2008 at 6.9451 Yuan

² The data are quoted from Sun Xuewen, Institute of Modern China, Chinese Academy of Social Sciences, *Mao Zedong's Greatest Achievements and the Sun and the Moon*. The Chinese Academy of Social Sciences, *Manuscript of the History of the People's Republic of China*, and The Cambridge History of China.

³ Data cited in Sun Xuewen, Institute of Modern China, Chinese Academy of Social Sciences, "*Mao's Glorious Achievements and the Sun and the Moon*", available in China Statistical Bureau, *Statistical Yearbook*, Chinese Academy of Social Sciences. The Chinese Academy of Social Sciences, *Manuscript History of the People's Republic of China* and The Cambridge History of China.

yield and quality of agricultural products. In particular, Yuan Longping's hybrid rice technology led to a revolutionary increase in rice production. The technology was successfully developed in October 1973 as a 'three-line hybrid'.⁴ In 1975, more than 5,600 mu were demonstrated at multiple points, with yields increasing by more than 20 per cent compared to conventional varieties. In 1990, 240 million mu were promoted nationwide, accounting for 50% of the rice area and 61.1% of the total yield.

The second was the fertiliser revolution, which began in 1970 with the construction of a large number of new fertiliser plants throughout the country. 13 January 1972 saw the introduction of eight sets of fertiliser and other equipment from abroad, followed by the introduction of the US\$4.3 billion Four Thirds Programme of complete sets of equipment and individual machines. In 1973, China's fertiliser production was more than double that of 1965. Following the Shanghai Communiqué, the West allowed some civilian products to be exported to China. China quickly introduced 13 large fertiliser production units, most of which were just about ready for operation by 1979, rapidly increasing the amount of fertiliser applied per acre, which had a marked effect on yields in fields that had long been dominated by farmyard manure.

Thirdly, the construction of agricultural infrastructure before the reform has shown its effectiveness. In 1975, the number of wells nationwide increased by 935.89% compared to 1965. The resilience to natural disasters has increased considerably, with the area affected falling from 53.9 per cent to 26.9 per cent in 1976 compared to 1965, when the same area was affected nationwide. These greater improvements in irrigation and drainage conditions provided an important guarantee that the individual management system under the joint production responsibility system in rural areas would be able to withstand droughts and floods. In the 1980s, in particular, state investment in farmland irrigation was relatively low and declining year on year, to some extent because the investment of the 1970s was paying off.

In essence, the reform and opening up also led to a significant loss of agricultural productivity, with contracting causing a serious loss of collective property. At the end of 1978, the fixed means of agricultural production (excluding land) owned by the rural people's communes and state farms in China amounted to 97.7 billion yuan, but by the end of 1986, less than 30 per cent of agricultural productive fixed assets were left in collective ownership in rural areas. In Heilongjiang, which used to be highly mechanised, the vast majority of the countryside has become self-employed, with 20 per cent of farm machinery contracted out to individuals and 80 per cent sold at extremely low prices to brigade leaders and their relatives and friends.⁵

Although individual farmers have taken possession of machinery, the use of machinery has been very difficult, large farms no longer exist, most farmers do not have machinery or large livestock, and those who do have machinery are unable to use it on their narrow plots of land, some of which are

⁴ In May 1979, the famous American Roundup Seed Company's General Manager, Will Weir, visited China and was surprised to find that the Chinese were growing an unprecedented type of hybrid rice. That year the company sowed three combinations of hybrid rice seeds in the rice fields of the University of California Agricultural Experiment Station. By harvest time, the seeds were the same as those of the original high-yielding American conventional rice variety Starbonnet. At harvest, the yields were 165.4 to 180.3 per cent higher than those of Starbonnet, which means that the lowest yielding combination was 1.65 times higher than the American rice. This means that even one of the lowest yielding combinations is 1.65 times more productive than American rice. The Americans were dumbfounded and called them the "Magic Rice of the East".

⁵ Han Ding, *The Great Reversal: Privatisation in China 1978-1989*.

too narrow to accommodate a wheelbarrow⁶. As collective production ceased to exist, water facilities could not be built and repaired, so not only did they not develop, but those that did exist were gradually abandoned, with 80% of agricultural water facilities still in place from the 1970s onwards.

In addition to these physical facilities, the production techniques in the countryside were also destroyed. In the days of the people's communes, there were many skilled people in the countryside, thanks to policies such as the movement of young people to the countryside and the commune's foundation for the division of labour, but after the reform and opening up, this was not possible. In Inner Mongolia, before the division of production into households, there were veterinarians in the brigade who treated the livestock of the whole brigade and took a few young people to learn veterinary techniques, but after the contracting of households, the livestock were all distributed to each family, and the veterinarians only took care of their own livestock, with the result that when the livestock fell ill, they were infected and died in large numbers. In many rural areas, seeds, fertilisers and pesticides used to be purchased collectively by the brigade's insiders, but now farmers buy them on their own and are easily cheated, and the prices are more expensive than collective purchases.

It can be seen that socialism was not replaced by capitalism for reasons of economic development. The whole process of reform and opening up was not about the liberation of the productive forces and the focus on economic construction; it was about the transformation of the socialist bureaucrats from representatives of the proletariat to the bourgeoisie for their personal interests and the appropriation of state assets, a complete restoration of capitalism. In this process, the proletariat was reduced step by step from being the masters of the state to the lower strata of society, to be trampled on. The servants of the state, the criminals who stole the wealth of the people, became the upper class, the successful ones, the masters of the people who piss and shit on their heads.

During these decades, the social wealth that the Chinese people had built up over the past 30 years, from nothing, was stolen by the bureaucrats of the day and turned into their private property to enrich themselves. State enterprises were emptied and sold out, and the only ones left became the material support for the bureaucratic bourgeoisie to suppress the people. The state apparatus was reduced from an instrument of the dictatorship of the proletariat to an instrument of the dictatorship of the bourgeoisie, and the guns were turned not on the bourgeoisie but on the masses. The proletariat and the peasants lost their status as masters of the state and became, step by step, the lowest strata of society. The formerly active political participation of the masses has become a political disenfranchisement of the proletariat and peasants; the formerly most honourable workers are now trampled on and insulted. All this demonstrates the nature of the capitalist restoration that has taken place over the past forty years of reform and opening up.

3. The Roots of Capitalist Restoration

Socialism is the stage of transition from capitalism to communism. At this stage, the production relations, political structure and ideology of capitalism and even feudalism have not been completely eliminated, and the foundation of capitalist restoration still exists. Therefore, in this historical stage, contradictions and struggles exist sharply and profoundly in all fields of society.

The most direct and primary expression of the contradictions of socialism is still the class contradiction. At this stage, the struggle between the bourgeoisie and the proletariat continues to exist. Although the economic system of public ownership has been established, the spontaneous

⁶ Han Ding, *The Great Reversal: Privatisation in China 1978-1989*.

division of labour will continue to exist for a period of time, so that the basis of mental-manual, urban-rural and industrial-peasant differences will continue to exist. Politically, the state will continue to play a role and the proletariat will need to gradually upgrade its culture and capabilities in order to gradually participate in political management. Thus, society was still likely to be in the hands of party bureaucrats and technocrats, many of whom, in order to consolidate and extend their privileges, stood in opposition to the proletariat, hindering further social progress and even moving towards a bourgeois line.

The line of the proletariat is to gradually eliminate the three major differences, reform the irrational relations of production and social system and gradually reduce the social divisions. The "two participations, one reform and three combinations"⁷ were attempts to eliminate the mental-manual differences and to overcome the bureaucratic system of economic management. The night schools, the communist labour universities and the rapid spread of basic education were also attempts to limit and overcome mental-manual differences. The Great Leap Forward and the subsequent industrialisation of the countryside and mechanisation of agriculture, as well as the move to the countryside, were all attempts to reduce the differences between urban and rural areas and between workers and peasants. The Revolutionary Committee and the "Four Great Democracies" of the Cultural Revolution were attempts to involve the masses in political management.

The bourgeois line, on the other hand, was to raise the so-called enthusiasm through economic incentives, to preach absolute leadership of cadres and absolute obedience of workers, and to raise enthusiasm through bonuses and market expansion. The result was the consolidation and spread of capitalist relations of production, political systems and ideologies, the loss of leadership of the proletariat and, ultimately, the restoration of capitalism. This transitional phase is thus not a one-way development, but has two potential directions of development, communist and capitalist.

Socialism, like all societies before it, is a process in constant movement through struggle, and whether it leads to capitalism or communism is determined by the outcome of the struggle between two lines and two classes. The theory of continuing revolution under the dictatorship of the proletariat is a profound revelation of this state of transition. Since socialism is a state of transition, and since there are contradictions and struggles, it is necessary for the working class to struggle against the bourgeoisie in an organised manner and for colleagues to carry out a revolutionary transformation of society in the course of the struggle. The Great Proletarian Cultural Revolution was a revolutionary movement that transformed existing relations of production, political structures and ideologies, and was also a fierce class struggle.

It is precisely because the Cultural Revolution is a revolutionary movement that its social stage is by no means an idealized world, but a real society full of complex contradictions. Counter-revolutionaries will wreak havoc and cause heinous tragedies; revolutionaries will also make mistakes because of inexperience and the destruction of the petty-bourgeois line. Today, the bourgeoisie blames the revolution for this, and even insults the revolution because the revolutionaries are suppressed. How sinister are their intentions!

In the end, for many reasons - the weakness of the working class, the failure of the revolutionaries' revolutionary strategy, the destructive influence of the petty-bourgeois line, the strength of the bureaucracy, the inadequate basis for the collectivisation of agriculture, etc. the revolutionaries

⁷ The important content of the "Anshan Iron and Steel Constitution" is that "workers participate in management, cadres participate in labour, change the unreasonable production system, and combine workers, cadres and technical personnel.

of the Cultural Revolution failed. The proletarian line failed, and instead of gradually moving forward towards communism, society collapsed and died at the hands of the bureaucrats. This just goes to show that the transition from socialism to communism is never simply the result of the development of the productive forces, that it is never a smooth transition, and that the struggles in this transitional phase are in some ways more vicious and intense than those in capitalist society.

The history of reform and opening up, with the exception of a few advances that hardly concern the whole, is the history of the defeat of the revolutionary cause in China and in the world. Yet it is far from being a history of pure regression, far from being a history of a revolution that has fallen into complete ruin, far from being a history of a revolution that has moved further and further away from victory. In this period of history the material conditions for the ultimate victory of the proletariat were further developed to the point where they were sufficient to break through the fetters of the old world and support a new one; the contradictions which had been hidden from view during the socialist period were finally developed into a life-and-death confrontation between the two classes, thus making the contradictions of socialism more clearly known; the proletariat, as the leading force of the revolution, was developed to the point where it was sufficient to bring the old world to a complete end.

Thus, the history since the reform and opening up of the country seems to have been one of the revolutions that have been wiped out, but in fact it has been one of preparation for a more thorough, comprehensive and violent revolution; as if it had been a shameful defeat for the proletariat, but in fact it has made the proletariat grow in strength, both in terms of awareness and in size, far more than its proletarian predecessors who had made a glorious history.

Written criticism never changes the nature of society, but it can tear away the shame that covers it. When the festering body of society is exposed to the masses, when the proletariat takes up the weapons of theory and reality to face the brutal and greedy bourgeoisie and the entire corrupt and stinking old society, all the ruling classes of the old society will only go mad in their desperation, and then their demise will be inevitable!

The veil of shame is falling off the rotten body of Chinese imperialism, the red banner of socialism will fly high again, and the flames of the proletarian revolution will light up the long dark night, burn out the corrupt body of the old society and shine brightly!

Introduction: A Poor Old China, the Iron Curtain of the Socialist Cold War Falls

"People make their own history, but they do not make it at will, not under conditions of their own choosing, but under conditions directly encountered, established, inherited from the past".⁸ China's socialist transformation and construction also took place under a set of historical conditions, and without understanding this historical condition, it is impossible to clearly understand the trajectory of the development of the new China.

One. Poor and Blank

When New China was first established, it could be said that it was poor and had nothing left to build. Chairman Mao said, "What can we make now? We can make tables and chairs, we can make tea bowls and teapots, we can grow grain, we can grind it into flour, we can make paper, but we cannot make a car, a plane, a tank or a tractor".⁹ "We are 'poor' for one thing and 'blank' for another. Poor' means that there is not much industry and agriculture is not developed. 'Blank' is a piece of paper, with a low level of culture and science."¹⁰

The 37 years of the Republic of China saw little economic progress. The total value of the economy grew very slowly and per capita income remained almost at the same level as in the late Qing Dynasty. By the time of the founding of New China, China had accumulated some experience in the craft and organisation of light industry and transport, hundreds of thousands of workers, some technical experts, managers and industrial enterprises. However, for China as a whole, industrialisation was still extremely rudimentary and of little importance to social production. The mainstay of commodity production remained at the level of small crafts; the population ratio between urban and rural areas changed very little, nor did the occupational distribution of the population change significantly; and a unified national market had not yet been formed. It can be said that until the founding of New China, China had not yet changed the face of its backward agricultural country.

Agriculture was still the most important part of the country's economy, and by 1949 it still accounted for 82.6% of the country's population and 70% of the total value of agricultural and industrial output. It was because of the backwardness of the small peasant economy that there was no real change, and because after the Opium War, the imperialist countries exported goods to China and demanded war reparations. By 1949, agricultural production was still a backward form of artisanal production by small farmers, and the purchase of agricultural production materials accounted for only 4.8 per cent of the retail sales of social goods. By 1949, with nearly half a billion people, the backward smallholder economy was no longer sufficient for China's expanding population, and by 1949 the majority of the population was still in a state of semi-starvation. Agriculture was still largely a matter of satisfying the problem of feeding the hungry, with cultivation accounting for 82.5 per cent and forestry, animal husbandry and fishery for only 17.5 per cent of the internal structure of agriculture. In terms of production value, food crops accounted for the lion's share of the agricultural sector, with a smaller share of economic crops. By 1949, the national per

⁸ Marx: *'Eighteenth Brumaire of Louis Bonaparte'*, Collected Works of Marx and Engels (vol. 2). Beijing: People's Publishing House. 470-471 pp.

⁹ Mao Zedong: *'On the Draft Constitution of the People's Republic of China'*, Selected Works of Mao Zedong (vol. 5). Beijing: People's Publishing House p. 130.

¹⁰ Mao Zedong: *On the Ten Major Relationships*, Selected Works of Mao Zedong (vol. 5). Beijing: People's Publishing House.

capita share of grain was 209 kg, cotton 0.8 kg, oil 4.8 kg and 0.11 pigs. The country was lucky to be able to fill its stomach, let alone enjoy a rich, tasty and nutritious diet.¹¹

From the beginning of the foreign affairs movement, China began the process of industrialisation. But as is the rule in all countries, light industry was less expensive and more profitable, while heavy industry was more expensive and less profitable, and so light industry developed much faster than heavy industry during the period of primitive capital accumulation. As a result of the desolation of the countryside, large numbers of people from agriculture entered the cities, but the level of industrialisation was far from sufficient to provide employment for these people, and the poor in the cities lived in misery. Unlike the original capitalist accumulation in Western Europe, which relied on the wealth and labour plundered from the colonies and semi-colonies, China was confronted with an already established industrialisation. China, however, was confronted with an imperialist world system that had already been formed and was itself a semi-colony. At the same time, China's feudal landlords had deep roots that were difficult to shake, and their plundering further hindered the primitive accumulation of capitalism. The bureaucratic bourgeoisie, by virtue of its political privileges, also controlled the economic lifeline and filled its own pockets by selling the blood and sweat of its own people to the imperialists. With imperialist plunder outside and feudal landlords and the bureaucratic bourgeoisie inside, it was very difficult for China to accumulate industrial capital. As a result, China's industrialisation was slow and deformed, and never reached a level that would have profoundly affected society.

By 1949, the total mileage of railways in China was about 214 million kilometres and the total mileage of roads was 80,000 kilometres, mainly in the Japanese occupied north-eastern region. By 1952, after three years of recovery, per capita pig iron production was 0.46 kg, per capita steel production 0.29 kg, per capita raw coal production 59 kg and per capita cement production 1.22 kg; urban workers numbered 8.09 million, accounting for only 4.5% of the national labour force; and modern industry accounted for only 10% of the national economy. In 1952 our transport and industrial levels were actually lower than those of Britain in 1800, France in 1890, Russia in 1910 and less than half those of India in the same period.¹²

By 1949, health conditions were still extremely poor and the population was growing at a high rate of births and deaths, with a mortality rate of 20 per thousand and an average life expectancy of 37 years. The rapid growth of the population after the founding of the state was in fact due to the rapid improvement in health care conditions and the rapid decline in mortality rates, especially neonatal mortality. Despite the early introduction of family planning policies, it was not possible to change people's attitudes to fertility quickly. To blame Mao for China's rapid population growth is therefore ignorant of history. By 1949, China was extremely backward in terms of education, with very few schools and an illiteracy rate of around 90 per cent.¹³

It was on this basis that the new China set sail, and we shall see how radically China changed in the 27 years of socialist construction. Despite the rapid economic progress of the new China during the socialist period, it was unlikely that it would reach great affluence any time soon, and that the people's living standards, though rising, would remain low for a long time. But the economic development of an age should be judged by the basis on which it has developed and at what speed, not by its absolute volume. Only someone with a complete disregard for history, or a bourgeoisie

¹¹ For data, see National Bureau of Statistics: *The Glorious Achievements of Chinese Agriculture, 1949-1984*.

¹² For data, please refer to the National Bureau of Statistics.

¹³ For data, please refer to the National Bureau of Statistics.

that maliciously discredits the building of socialism, would say that the 27-year economy of socialism is on the verge of collapse.

2. The New Democratic Revolution

"Since foreign capitalism invaded China and Chinese society gradually developed capitalist factors, China has gradually become a colony, semi-colonial, and semi-feudal society. Today's China is occupied by Japan. In the area under the rule of the Kuomintang, it is basically a semi-colonial society; in both the areas occupied by Japan and the areas under the control of the Guomindang, it is a society in which the feudal and semi-feudal system prevails. . . The politics of this society is colonial, semi-colonial, and semi-feudal, its economy is colonial, semi-colonial, and semi-feudal, and the dominant culture that reflects this politics and economy is colonial, semi-colonial, semi-feudal culture."¹⁴

It is under such social conditions that the Communist Party of China carried out its revolution. Such social conditions determine the nature of the Chinese revolution. "The historical process of the Chinese revolution must be divided into two steps, the first of which is a democratic revolution and the second a socialist revolution, two revolutionary processes of a different nature. And what is called democracy is now not the old category of democracy, it is no longer the old democracy, but the new category of democracy, new democracy."¹⁵

"The first stage of this colonial and semi-colonial revolution,, although still essentially bourgeois-democratic in its social nature and its objective requirement, is to clear the way for the development of capitalism. However, this revolution is no longer the old one, led by the bourgeoisie, aimed at building a capitalist society and a dictatorship of the bourgeoisie, but a new one, led by the proletariat, aimed at building, in the first stage, a new democratic society and a state of united revolutionary classes. It is therefore a revolution that clears the way for the development of socialism in a more general way. It is a revolution which, as it proceeds, is divided into stages as the enemy and allies change, but whose fundamental nature remains unchanged.

It is a revolution that fights imperialism so thoroughly that it is not tolerated by imperialism, but is opposed by it. But it is tolerated by socialism, and aided by the socialist state and the socialist international proletariat.

This revolution, therefore, cannot but become part of the proletarian socialist world revolution."¹⁶

"The nature of such a revolution, in turn, determines the goal of the revolution.

"The first step, the first stage of this revolution, must not and cannot be the establishment of a capitalist society under the dictatorship of the Chinese bourgeoisie, but the establishment of a new democratic society under the united dictatorship of the various revolutionary classes of China, with the Chinese proletariat at its head, to complete its first stage. Then, it should be developed to the second stage in order to build a Chinese socialist society."¹⁷

¹⁴ Mao Zedong: '*On New Democracy*', Selected Works of Mao Zedong (vol. 2). Beijing: People's Publishing House, pp. 664-665.

¹⁵ Mao Zedong: '*On New Democracy*', Selected Works of Mao Zedong (vol. 2). Beijing: People's Publishing House, p. 665.

¹⁶ Mao Zedong: "*On New Democracy*", Selected Works of Mao Zedong (vol. 2). Beijing: People's Publishing House, p. 668.

¹⁷ Mao Zedong: '*On New Democracy*', Selected Works of Mao Zedong (vol. 2). Beijing: People's Publishing House, p. 672.

Faced with the basic situation of a semi-colonial and semi-feudal social system and the main contradictions of the Chinese peasantry, the proletarian party, under the guidance of the New Democratic Revolutionary Programme, set up a broad united front, especially a workers' and peasants' alliance, with the workers as the leading class of the revolution and the peasants as the main force of the revolution. This revolutionary path led to the triumph of the revolution and enabled the Communist Party to establish close ties with the masses of poor and middle-aged peasants, so that the political consciousness of the Chinese peasants was greatly raised during the revolutionary struggle. It was the difference between China's revolutionary path of "encircling the countryside" and the Soviet Union's revolutionary path of "urban insurrection" that provided a different basis for the future socialist transformation and collectivisation of agriculture in both countries. Thus, to copy the Soviet Union's new economic policy and to criticise the collectivisation of agriculture and the people's communes in China is in fact the result of dogmatism and a deliberate deception by the bourgeois people.

At the beginning of the founding of the country, the new democratic revolution had not yet been completed. More than one million Guomindang troops, with Bai Chongxi and Hu Zongnan as the core of their group, were still entrenched in southern China, with Guangzhou as the centre, southwest China, with Chongqing as the core, and some islands such as Hainan, resisting. The Guomindang was the representative of the landlords, comprador and bureaucratic bourgeoisie, and only the complete elimination of the Guomindang forces could complete the task of new democracy. The British imperialists and the Tibetan serf-owning aristocracy still controlled Tibet by way of serfdom, and the liberation of Tibet was also a task for the new democracy. The bureaucratic capital, imperialist capital and its bought and paid for capital, and feudal landlords still held the economic lifeline of China, the vast area of China had not yet been reformed, and these reactionary forces were still carrying out counter-revolutionary activities against the people, and old cultural and social customs still ruled China. The continuation of these tasks would also be the beginning of the history of the People's Republic of China.

3. The Cold War Landscape

Since the October Revolution in the Soviet Union, and especially during and after the Second World War, a large number of socialist states had been established in the world. In addition to the vast area in red on the map below, socialist regimes had been established in Cuba in North and Central America.



At the same time proletarians and peoples in many other countries were making socialist revolutions against the international bourgeoisie. In order to curb the spread of this, the USA and Britain were the first to rise up against the socialist revolution. on 5 March 1946, former British Prime Minister Winston Churchill gave an anti-Soviet, anti-communist 'Iron Curtain speech' at Westminster College in the American city of Fulton:

"The earth which had so soon been illuminated by the Allied victory, has cast a shadow over the land. No one knows what the Soviet Union and its Communist International intend to do in the near future to put an end to their expansionist and missionary tendencies, if there is an end at all.

..... From Stettin [Szczecin] on the Baltic Sea to Trieste on the Adriatic, an iron curtain has descended across the European continent. Behind this line lie the ancient capitals of Central and Eastern Europe. Warsaw, Berlin, Prague, Vienna, Budapest, Belgrade, Bucharest and Sofia - all of these weather-beaten cities, all of whose inhabitants were within the Soviet sphere of influence and were in one form or another subject not only to Soviet influence, but also to the increasingly oppressive control of Moscow. Only Athens, radiating its immortal glory, is free to decide its future in the eyes of every one of England, America and France. I don't believe Soviet Russia wants war. What they want is the fruits of war for the unlimited expansion of their power and sovereignty. So here we are, before it is too late, considering the question of putting a permanent stop to war and creating the conditions for freedom and democracy in all countries as soon as possible."

This was in fact a rallying cry for the imperialist countries, led by the United States, to contain the socialist revolution. On 2 March 1947, US President Harry Truman delivered his State of the Union address, in which he outlined the "Truman Doctrine" to curb communism and interfere in the internal affairs of other countries. From then on the US began to aid the governments of Turkey and Greece to suppress revolutionary movements at home. In April 1949, the North Atlantic Treaty Organisation was established as an imperialist military-political alliance to deal with the global socialist revolution. The Soviet-led socialist camp also resisted the imperialist intervention of the USA, and the world rapidly moved towards a "cold war" between the socialist and capitalist camps.

Such a world situation profoundly influenced China's subsequent foreign policy. Many people thought that China's opposition to the US was a closed-door struggle, but in reality it was a struggle between the proletarian regime and the interfering imperialists, not a choice of the proletariat, but a policy of intervention by the imperialist countries in the interests of the bourgeoisie. Shouldn't the proletariat fight against imperialism in order to defend the fruits of its revolution?

After Khrushchev came to power, the Soviet Union was gradually transformed into a revisionist state and the Cold War changed from a struggle between the socialist and imperialist camps to a struggle between the two imperialist blocs for control of the colonies and semi-colonies. The nature of the Cold War was very different from that of 1949. This in turn had a profound impact on the transformation of China's foreign policy.

Chapter One: Establishing and building socialism in the struggle between the two lines

Section I. Before the democratic revolution is complete, the Three Great Mountains have to be overthrown

1. The New Democratic Stage

The three years from October 1949 to September 1952 were the New Democracy period of New China. It was a transitional period before entering socialism, with socialist and capitalist elements.

"This new democratic republic is distinguished, on the one hand, from the old, European and American, bourgeois-dominated, capitalist republics, which are obsolete, and, on the other hand, from the Soviet, proletarian-dominated, socialist republics, which have flourished in the Soviet Union and are to be established in the capitalist countries, and which will undoubtedly become the form of statehood and regime in all the industrially advanced countries; but that kind of republic, for a certain historical period, will not yet apply to the revolutions in the colonial and semi-colonial countries. Therefore, the form of state that all revolutions in colonial and semi-colonial countries can take in a certain historical period can only be a third form, which is called a new democratic republic. This is the form for a certain historical period and is therefore a transitional form, but a necessary form that cannot be changed."¹⁸

The political structure of New Democracy is a democratic dictatorship of the people under the leadership of the proletariat and a democratic centralist system of government in the form of a system of people's congresses. When New China was founded, the conditions were not yet ripe for the election of people's representatives, so the National People's Political Consultative Conference acted as the People's Congress and elected the Committee of the Central People's Government of the People's Republic of China. However, despite the victory of the revolutionary people led by the proletariat, the remnants of imperialism, feudalism and bureaucratic capitalism still existed in China and they were still making frantic counter-attacks, so it was the political task of the new democratic stage to thoroughly combat and remove these forces and consolidate and expand the achievements of the new democratic revolution.

After the establishment of the people's democratic dictatorship, it was also necessary to carry out a new democratic transformation of the economy, which was an important task in the new democratic era.

"The big banks, the big industry, the big commerce, are owned by the state of this republic. The state economy of the new democratic republic under the leadership of the proletariat is socialist in nature and is the leading force in the national economy as a whole, but this republic does not confiscate the private property of other capitalists and does not prohibit the development of capitalist production which "cannot manipulate the livelihood of the nation". This is because the Chinese economy is still very backward.

The republic would take some necessary steps to confiscate land from landlords and distribute it to landless peasants. would eliminate feudal relations in the countryside and turn the land into private property for the peasants. The rich peasant economy in the countryside was also allowed to exist. At this stage, socialist agriculture is not yet

¹⁸ Mao Zedong: "*On New Democracy*", Selected Works of Mao Zedong (Vol. 2). Beijing: People's Publishing House, p. 675.

generally established, but the various co-operative economies developed on the basis of "the cultivator has his own land" also have socialist elements.

China's economy must follow the path of "restraint of capital" and "equalization of land rights", and must not be "privately owned by a few". We must not allow a few capitalists and landowners to "manipulate the livelihood of the people", and we must not build a European or American-style capitalist society, or an old semi-feudal society. Whoever dares to go against this direction will definitely fail to achieve his goal, and will have to break his own head."¹⁹

In 1949 China, the feudalist land ownership system still existed on more than half of the land, the bureaucratic monopoly bourgeoisie and imperialism still held the economic lifeline of China, and many feudal production relations still existed in capitalist enterprises.

The political and economic tasks were complemented by the cultural and social tasks.

"A given culture is the ideological reflection of the politics and economics of a given society. There is in China an imperialist culture which is a reflection of imperialist rule, or partial rule, in the political and economic fields. This culture is fostered not only by the cultural organizations run directly by the imperialists in China but by a number of Chinese who have lost all sense of shame. Into this category falls all culture embodying a slave ideology. China also has a semi-feudal culture which reflects her semi-feudal politics and economy, and whose exponents include all those who advocate the worship of Confucius, the study of the Confucian canon, the old ethical code and the old ideas in opposition to the new culture and new ideas. Imperialist culture and semi-feudal culture are devoted brothers and have formed a reactionary cultural alliance against China's new culture. This kind of reactionary culture serves the imperialists and the feudal class and must be swept away. Unless it is swept away, no new culture of any kind can be built up. There is no construction without destruction, no flowing without damming and no motion without rest; the two are locked in a life-and-death struggle.

As for the new culture, it is the ideological reflection of the new politics and the new economy which it sets out to serve."²⁰

"So far as the orientation of our national culture is concerned, communist ideology plays the guiding role, and we should work hard both to disseminate socialism and communism throughout the working class and to educate the peasantry and other sections of the people in socialism properly and step by step. However, our national culture as a whole is not yet socialist....And since the Chinese revolution today cannot do without proletarian leadership, China's new culture cannot do without the leadership of proletarian culture and ideology, of communist ideology. At the present stage, however, this kind of leadership means leading the masses of the people in an anti-imperialist and anti-feudal political and cultural revolution, and therefore, taken as a whole, the content of China's new national culture is still not socialist but new-democratic."²¹

¹⁹ Mao Zedong, *"On New Democracy"*, Selected Works of Mao Zedong (vol. 2). Beijing: People's Publishing House, pp. 678-679.

²⁰ Mao Zedong, *"On New Democracy"*, Selected Works of Mao Zedong (vol. 2). Beijing: People's Publishing House, pp. 695-696.

²¹ Mao Zedong, *"On New Democracy"*, Selected Works of Mao Zedong (vol. 2). Beijing: People's Publishing House, pp. 704-706.

“A national, scientific and mass culture--such is the anti-imperialist and anti-feudal culture of the people, the culture of New Democracy, the new culture of the Chinese nation.

Combine the politics, the economy and the culture of New Democracy, and you have the new-democratic republic, the Republic of China both in name and in reality, the new China we want to create.”²²

New China was faced with a situation in which not only the economy and politics had yet to flourish, but also social customs and culture had yet to flourish. In the old China, the living environment in the cities and rural areas was poor and the hygiene conditions were extremely poor. All these were the cultural and social customs that New Democracy had to change, and this was the task of cultural and social transformation at the New Democracy stage.

On the whole, when New China was founded, the three great mountains had not yet been completely overthrown economically, politically and culturally, and the complete overthrow of the three mountains was the main historical task of the New Democratic period. Of course, this did not mean that the capitalist order should be established. While completing the tasks of the new democratic revolution, it was also necessary to establish some systems with socialist elements as far as possible.

²² Mao Zedong, "On New Democracy", Selected Works of Mao Zedong (vol. 2). Beijing: People's Publishing House, pp. 708-709.

Section 2. Removing the remnants of reactionary forces and defending the new democratic regime

1. Establishment of the new democratic political system

From September 1949 to June 1950, the First, Second, Third and Fourth Field Armies of the Chinese People's Liberation Army (PLA) liberated southern and southwestern China, killing a total of 1.3 million enemies and liberating all of mainland China except Tibet, while the planned liberation of Taiwan was shelved due to the Korean War. In May 1951, the Central Government and the Dalai government of Tibet reached an agreement on 17 articles for the peaceful liberation of Tibet, including the expulsion of British imperialist forces from Tibet, the entry of the PLA into Tibet and the temporary maintenance of the Tibetan system, in line with Chairman Mao's statement at the Third Plenary Session of the Seventh Central Committee:

" As stipulated by the Common Programme, customs and folk-ways in the minority nationality areas may be reformed. But the minority nationalities themselves should do the reforming. Without popular support, without the people's armed forces and without the minority nationalities' own cadres, no reform of a mass character should be attempted. We must help them train their own cadres and we must unite with the masses of the minority nationalities."²³

This was in fact both a strategy to unite the majority and isolate the reactionary minority when they were being attacked on all sides by the reactionary forces, and a strategy to raise the political consciousness of the people in the minority areas through their own revolutionary movement, to liberate themselves under the inspiration and leadership of the Party and to avoid the substitution of cadres.

On the basis of the national unification of the mainland, between January 1950 and the end of 1952, a system of local governments was established in China, and people's congresses were held at the appropriate level in each locality. The new democratic political system of China was thus established.

The Guomindang also had a large number of counter-revolutionaries on the mainland who wanted to collaborate with Chiang Kai-shek's "counter-attack on the mainland", murdering tens of thousands of revolutionary cadres and people, destroying economic facilities and mobilising reactionary forces to "reverse the attack". Thus, on 10 October 1950, the Central Government launched a "campaign to suppress the counter-revolution" and adopted the method of a mass movement.

"The line for this work that has proved effective everywhere is the Party's mass line. This means leadership by Party committees, mobilization of the entire Party membership, mobilization of the masses participation by the democratic parties and by personages from all circles, unified planning, unified action, strict examination of the lists of persons to be arrested or executed, attention to tactics in different phases of the struggle, widespread propaganda and education (holding various kinds of conferences, cadre meetings, forums and mass rallies at all of which victims can bring their accusations and evidence of crimes can be displayed, and making propaganda through films lantern-slides, stage performances, newspapers, pamphlets and leaflets in order to make the movement known to every

²³ Mao Zedong: *'Don't hit out in all directions'*, Selected Works of Mao Zedong (vol. 5). Beijing: People's Publishing House, pp. 23-24.

household and individual), a break with the practice of working behind closed doors and being secretive, and determined opposition to the deviation of rashness." ²⁴

In October 1951, the "suppression of counter-revolution" campaign ended in triumph, with more than three million counter-revolutionaries killed, imprisoned and controlled. The "suppression of counter-revolution" campaign removed the reactionary forces and consolidated the democratic dictatorship of the people.

2. Establishment of the new democratic economic system

On the eve of liberation, bureaucratic capital accounted for 66 per cent of the country's industrial capital and 80 per cent of the country's industrial, mining and transport fixed assets, monopolising China's financial, transport, trade and heavy industry sectors and controlling the country's economic lifeline.

The confiscation of bureaucratic capital began at the beginning of 1949 with the liberation of Beijing and Tianjin. When confiscating bureaucratic capital, all bureaucratic capital was retained as long as it was not destroyed, the original organisation and system was retained, and the reform of the original organisation and system was subject to careful study and discussion. This ensured that the economy recovered smoothly and smoothly, and by 1951 the confiscation of all bureaucratic capital was completed. During the Korean War, the British and US-led imperialists imposed economic sanctions on China, and China accordingly expropriated all of the US and some of the British imperialist capital, while many foreign-owned enterprises abandoned their operations because of the economic blockade. By the beginning of 1954, there were very few foreign-owned enterprises left in China. By this time, China's key industries, such as finance, trade, transport and heavy industry, were basically state-owned. These state-run enterprises were the socialist element of China's new democratic economy. Of course, the assets of the national bourgeoisie were not confiscated in this process, and these capitalist industrial and commercial enterprises would still play a certain historical role in the new democratic stage. In 1949 and 1950, the government also stabilised prices and ensured the economic order of the new democracy by unifying the treasury, centralising materials, combating speculative capital and strengthening market management, thus enabling the economy to recover rapidly.

With the Kuomintang reactionary forces removed and the national economy gradually put on the right track, land reform was about to be carried out in the newly liberated areas. In old China, landlords and rich peasants, who accounted for less than 10 per cent of the population in the countryside, held 70-80 per cent of the land and were responsible for an important task.

"We have already completed land reform in the north, where there are about 160 million people, and we want to recognise this great achievement. Our war of liberation was won mainly by these 160 million people. With this victory in land reform, we were able to defeat Chiang Kai-shek. In the autumn of this year, we will start land reform in a vast area of about 310 million people and overthrow the entire landlord class."²⁵

However, the land reform also faced heavy resistance.

²⁴ Mao Zedong: "The Party's Mass Line Must Be Followed in Suppressing Counter-Revolutionaries", Selected Works of Mao Zedong (Volume 5). Beijing: People's Publishing House, p. 39.

²⁵ Mao Zedong: '*Don't hit out in all directions*', Selected Works of Mao Zedong (vol. 5). Beijing: People's Publishing House, p. 21.

“Against us are arrayed, first, the imperialists, second, the reactionaries in Taiwan and Tibet, third, the remnant Kuomintang forces, the secret agents and the bandits, fourth, the landlord class and, fifth, the reactionary forces in the missionary schools established in China by the imperialists and in religious circles and those in the cultural and educational institutions taken over from the Kuomintang. These are our enemies. We have to fight them one and all and accomplish the agrarian reform in an area much larger than before. This is a very acute struggle, unprecedented in history.”²⁶

Therefore, the agrarian reform adopted the policy of "relying on the poor and hired peasants, uniting the middle peasants, neutralising the rich peasants and isolating the landlords", establishing a peasant ownership system in the countryside and preserving the economy of the rich peasants. By the spring of 1953, all of mainland China, with the exception of Tibet, had completed land reform. The agrarian reform was carried out through a mass movement, rather than through a system of substitution, which not only mobilised the masses against the enemy, but also cultivated their awareness during the struggle. In the course of the land reform process, there were extreme leftist acts of "killing the rich peasants" in some areas, which were promptly corrected. The agrarian reform changed the situation of thousands of years in which the poor had no place to stand and greatly stimulated the enthusiasm of the masses for production and revolution, and was a major liberation of the productive forces. By now, China had basically established a new democratic economic system with both socialist and capitalist elements.

3. Resist U.S. aggression and aid Korea and the new foreign policy

New China, in terms of diplomacy, abolished all the unequal treaties and unequal diplomacy signed by the old China by "cleaning the house before inviting guests", "starting anew " and "a one-sided policy". It stood firmly on the side of the socialist camp against the background of the Cold War between socialism and capitalism.

Many people now say that before the reform and opening up China was a closed country, which is a load of nonsense in total disregard of the international situation back then. In a period of sharp contradictions between the imperialist camp and the socialist camp in the Cold War, the only possible strategy was to stand in one of the camps. In the case of proletarian-led China, the imperialist bloc led by the United States was strangling it feverishly, and it was only right in principle and in reality that China chose to move to the socialist camp, while at the same time uniting extensively with the Third World countries and trying to win over other capitalist countries in Europe and America. At the end of the 1950s and especially in the 1960s, when the original socialist camp was generally on a revisionist path, China became the centre of opposition to imperialism in the Third World, while in the mid-1970s, under the oppression of Soviet social-imperialism, China also made efforts to improve relations with US imperialism. It can be seen that China during the socialist period always adhered to a diplomatic strategy that was in line with the interests of China and the proletariat and oppressed peoples of the world, with the building of Chinese socialism and with the international situation at the time.

On June 25, 1950, when the Korean War broke out, the U.S. imperialists openly sent troops to support the capitalist regime in south Korea, and at the same time sent the Seventh Fleet into the Taiwan Strait to support Chiang Kai-shek's Taiwan government. Faced with such a situation, "in order to assist the Korean people's war of liberation, oppose the attacks of U.S. imperialism and its lackeys,

²⁶ Mao Zedong: *'Don't hit out in all directions'*, Selected Works of Mao Zedong (vol. 5). Beijing: People's Publishing House, p. 21-22.

and thereby defend the interests of the Korean people, the Chinese people and the people of the Eastern countries," Chairman Mao decisively decided to fight against the U.S. The frontier guards were changed to the Chinese People's Volunteers, and they immediately dispatched to North Korea to fight against the invaders with the North Korean comrades and win a glorious victory."²⁷ 27 The Chinese people enthusiastically participated in or supported the War to Resist U.S. Aggression and Aid Korea, as the song sang:

*Dashing in high spirit,
across the Yalu River!
To safeguard peace, to defend the motherland,
to protect our home!
The great sons and daughters of China,
are firmly united in solidarity!
Aid Korea,
defeat the wild wolves of U.S. Imperialism!*²⁸

During the war, Chairman Mao directed the volunteer forces:

“The Chinese and Korean comrades should unite as closely as brothers, go through thick and thin together, stick together in life and death and fight to the end to defeat their common enemy. The Chinese comrades must consider Korea's cause as their own and the commanders and fighters must be instructed to cherish every hill, every river, every tree and every blade of grass in Korea and take not a single needle or a single thread from the Korean people, just the way we feel about our own country and treat our own people. This is the political basis for winning victory. So long as we act this way, final victory will be assured”.²⁹

On 27 July 1953, the United States was forced to sign the armistice agreement and the war to resist United States aggression and aid Korea came to a victorious end. This victory dealt a severe blow to the US-led imperialist forces, crushed their attempts to suppress the Chinese revolution, defended the new democratic regime in China, supported the Korean people in preserving the revolutionary regime and inspired the determination and confidence of the people of the world to oppose imperialism. The war also showed that weapons are not the decisive factor in warfare, and that revolutionary armies, through their firm revolutionary faith, fearless dedication and discipline, as well as the solidarity of the masses, can defeat enemies with advanced weapons and equipment.

3. The "Three Anti's and Five Anti's"

As Mao Zedong had predicted in the Second Plenary Session of the Seventh Central Committee, soon after the establishment of the Central People's Government, corruption and wastefulness among officials began to emerge and gradually spread. This was due to a number of reasons, one being the retention of Guomindang officials, a large number of whom had been retained after the liberation, and who were already in the habit of corruption. Secondly, in the absence of a mechanism for mass supervision and participation in the administration, some Communists degenerated and became bourgeois under the influence of many unscrupulous bourgeoisie. This was not only detrimental to the economic construction of the new China, which was already poor and was still fighting against the United States and supporting the Korean War, but also inconsistent with the laws of the new democratic republic and the Communist Party's role as the vanguard of the proletariat. Therefore,

²⁷ Mao Zedong: 'An Order to the Chinese People's Volunteer Army', Selected Works of Mao Zedong (vol. 5). Beijing: People's Publishing House. p. 32.

²⁸ *March of the People's Volunteer Army*

²⁹ Mao Zedong: "The Chinese People's Volunteers Should Love the Mountains, Waters, Plants and Trees of Korea", Selected Works of Mao Zedong (Volume 5). Beijing: People's Publishing House, p. 33.

cracking down on corrupt officials and at the same time cracking down on the unscrupulous bourgeoisie would bring the retained GMD officials and the bourgeoisie under the supervision of the proletarian party, and would be conducive to the self-reformation of the proletarian party and the supervision of the proletarian party by the proletariat, thus preventing the proletarian vanguard from going against the people.

In October 1951, at the Third Session of the National Committee of the Chinese People's Political Consultative Conference, Mao Zedong issued a call to the whole country to "increase production and practise economy in support of the Chinese People's Volunteers"³⁰, which became the "Campaign to Increase Production and Practice Economy". In November, Gao Gang, Secretary of the Northeast Bureau, sent a report to the Central Committee on the campaign to increase production and economise and to further the struggle against corruption, waste and bureaucracy. "In this report, it was noted that 3,629 people in some units in Shenyang had been found guilty of embezzlement and that the Ministry of Trade in the Northeast had reported and confessed stolen money amounting to 500 million RMB (in this case, the old RMB. The People's Bank of China issued a new RMB from 1 March 1955 to replace the old one, and one yuan of the new currency was equal to 10,000 yuan of the old). Waste and bureaucracy were also rampant, with a backlog of hundreds of billions of yuan of materials in the northeastern railway system that went unaddressed."³¹ On 1 December, the Central Committee of the Communist Party of China (CPC) made a decision on the implementation of streamlining and simplifying government, increasing production and saving, and opposing corruption, waste and bureaucracy. Immediately afterwards, the "Three Anti-Corruption Campaigns" were launched nationwide.

Mao Zedong advocated that the "Three Anti's and Five Anti's" should be carried out with great fanfare and by means of mass movements.

"The struggle against corruption, waste and bureaucracy should be stressed as much as the struggle to suppress counter-revolutionaries. As in the latter, the broad masses, including the democratic parties and also people in all walks of life, should be mobilized, the present struggle should be given wide publicity, the leading cadres should take personal charge and pitch in, and people should be called on to make a clean breast of their own wrongdoing and to report on the guilt of others. In minor cases the guilty should be criticized and educated; in major ones the guilty should be dismissed from office, punished, or sentenced to prison terms (to be reformed through labour), and the worst among them should be shot. The problem can only be solved in these ways.

"In all cities, and first of all in the big and medium-sized cities, we should rely on the working class and unite with the law-abiding capitalists and other sections of the urban population to wage a large scale, resolute and thoroughgoing struggle against those capitalists who are violating the law by bribery, tax evasion, theft of state property, cheating on government contracts and stealing economic information; we should co-ordinate this struggle with that against corruption, waste and bureaucracy, which is being waged inside the Party, government, army and mass organizations. This is both imperative and very timely."³²

The masses from all walks of life participated in this movement. In this movement, all levels of organs and all Party members were subjected to the supervision of the masses. In January 1952, the editorial in the People's Daily stated that "if anyone obstructs the mass movement, no matter how high his position or how old his qualifications are, his superiors should resolutely remove him from

³⁰ Mao Zedong, *Great Victories in Three Mass Movements*, Selected Works of Mao Zedong (Vol. 5). Beijing: People's Publishing House, p. 50.

³¹ JIN Chonghe and PANG Xianzhi: *A Biography of Mao Zedong*.

³² Mao Zedong: *On the Struggle of the Three Anti's and Five Anti's*, Selected Works of Mao Zedong (vol. 5). Beijing: People's Publishing House, p. 54.

his post. If it is due to his own unclean hands, he should also be punished by law."³³ On January 19, the Central Committee of the Communist Party of China held a meeting of senior cadres with 1,000 people who announced that they would concentrate on fighting the "tiger", which suddenly pushed the movement to a climax.³⁴ In February, the Central Committee demanded that all Party members and cadres above the county level should make a profound self-criticism at a certain meeting, and those who did not make a profound review should do so again. Mobilisation was carried out in the form of mass meetings and the policies and results of the campaign were publicised in every possible way. In this way, people's supervision was not only supported by the legal system, but also encouraged and supported by the practical actions of the leaders and cadres at all levels. The enthusiasm of the masses was quickly mobilised, and the campaign developed to a deeper level.

During the campaign, the central government also ensured that the channels for the masses to supervise were unblocked, and there was timely feedback and handling of opinions. In April 1950, the Party Central Committee stated that "newspapers should be responsible for criticising the shortcomings and mistakes in the work of government organs and staff, economic organisations and their staff." "As long as newspapers and publications confirm that such criticism is basically correct, they should still be responsible for publishing it even if the consent of the criticised person has not been sought or obtained." During the campaign, the various newspapers and media not only publicised the policies of the Central Government in a timely manner, but also published many reports and criticisms from the public, as well as the reflections on materials of the corresponding authorities and individuals. At that time, the People's Daily and other party newspapers devoted two to three pages a day to letters from the public from all over the country, reporting on various problems. At the same time, the supervisory authorities also set up correspondence boxes to receive letters from the people. According to local statistics, a large proportion of the letters from the people were accusations or criticisms of cadres.

During the campaign, the central government also stated that those who spoke were not guilty, those who heard were warned, and those who retaliated were severely punished. The Party's attitude towards criticism from the public was to "correct it if it is true, and to reinforce it if it is not". The supervisory departments and newspaper editors promptly sent feedback to the relevant departments and individuals, and required that "if it is entirely true, the person criticised should immediately declare in the same publication that he accepts it and announce the results of the correction. If it is partially untrue, the criticised person will immediately make a factual correction in the same newspaper publication and accept the correct part of the criticism. If the person criticised refuses to express his attitude or strikes out at the critic, he shall be dealt with by the Party's Disciplinary Inspection Committee. If the above-mentioned acts violate administrative discipline and the law, they shall be dealt with by the judicial organs of the State Supervisory Authority." If the masses are not satisfied with the self-criticism or the statement of the person concerned, the person concerned needs to reflect deeply again and make another self-criticism until it is approved. The Party Central Committee further emphasised during the "Three Anti's" campaign that we could not demand that the masses be 100% correct, for such a demand would in fact be a rejection of the masses. When the deputy director of the Wuhan Health Bureau, Song Ying, was reported by Ji Kaifu for alleged corruption and dereliction of duty, the leaders of the municipal party committee not only failed to investigate and verify the case, but also listened to the public security bureau and ordered Ji Kaifu to be arrested and interrogated by beatings and fatigue. As a result of this serious case, the Wuhan Municipal Committee was reorganised, causing a national shock. Since then, there has been an upsurge in letters from the people, and the ugly phenomena of bureaucracy, commandism,

³³ *People's Daily*, January 1952.

³⁴ A major embezzler who embezzled more than 100 million yuan of old currency was called a "big tiger", while one who embezzled less than 100 million yuan and more than 10 million yuan was called a "small tiger".

lawlessness and suppression of democracy have been further exposed, giving impetus to the "Three Anti's" struggle everywhere.

The banner attitude of the Party Central Committee and the cascading reviews of the leaders at all levels allayed some of the concerns of the masses, and every day many people wrote letters criticising the shortcomings, mistakes and biases of the Party and the government and the cadres of the organs in their work, and offering suggestions for improving their work. From January to August 1952, the leading organs at the two levels in Shanghai received more than 304,000 letters from the masses, and Chongqing received more than 350,000 letters from the people in the first half of 1952. With the support and participation of the masses, a large number of "three evils", including some major cases, were uncovered. The Party dared to take real action against the problems uncovered by the masses, and did not condone them if they were substantiated. According to statistics, a total of 10,060 people were sentenced to prison for serious corruption among the party and government organs above the county level who participated in the "Three Anti-corruptions" campaign. From March 1951 to the end of June 1953, more than 328,000 people were purged from the Party.

Of course, there were inevitably some mistakes in the three anti-tiger campaigns. Firstly, "because of the top-down pressure on 'tiger-fighting' targets, and the tendency to increase the number of levels, there were deviations in some places, and even some fake 'tigers' were fought by means of forced confession letters. As soon as Mao Zedong discovered this problem, he immediately said: "Forced confessions must be strictly prohibited and mistakes corrected. When the campaign reaches its climax, comrades must be reminded of this point." Mao Zedong's guiding principle at the end of the "Three Anti-corruptions" campaign was, "On the one hand, to deal as leniently as possible with corrupt elements in general, or even not to classify them as corrupt elements, so as to free the vast majority of them as soon as possible, in order to help unite and educate more people. On the other hand, we continue to call for a deeper dive into the 'tigers', especially the 'big tigers'.³⁵

Secondly, "During the climax of the "tiger crackdown", the operational work of many organs, mainly the financial departments, was seriously affected, and some had already stopped working." Mao Zedong immediately corrected this mistake and on 17 February 1952, he cabled to the Central Bureaux and the major military regions: "During the period of tension in the campaign, some competent cadres must be designated to take charge of daily work and maintain normal financial work, and production, transport, finance and trade must not be suspended. One month or at most one and a half months after the official launch of the 'Three Anti'-campaign, the number of cadres leading the day-to-day work should be gradually increased.³⁶

"From March 1952 onwards, the 'Three Anti's' campaign began to enter the stage of finalising the cases. What Mao Zedong particularly stressed was: 'Be serious and responsible, seek truth from facts.' On 10 May, he wrote in his approval of a report forwarded by the Central Committee: 'Now that the Three-Anti campaign has reached the stage of court trials and the recovery of stolen goods, we must be conscientious and responsible, seek truth from facts, be unafraid of trouble, persevere to the end, decide on those who are right, correct those who are wrong, demote those who should be demoted, promote those who should be promoted, and suspend those who are difficult to determine. Subjectivism and fear of trouble must be overcome. This is a good lesson for the Communists in ruling the country, and it is of great significance to the whole Party and the people of China. This was a very important criticism, which played an important role in correcting the wrongdoings in the "Three Anti-corruptions".³⁷

³⁵ Jjin Chonghe and Pang Xianzhi: *A Biography of Mao Zedong*.

³⁶ Jin Chonghe and Pang Xianzhi: *A Biography of Mao Zedong*.

³⁷ Jin Chonghe and Pang Xianzhi: *A Biography of Mao Zedong*.

In the three anti- campaign, it was found that corruption was strongly linked to the misdeeds of the bourgeoisie. This situation was reflected in the reports from all the regions. In response, Mao Zedong argued that:

“We should also pay special attention to launching this struggle in Tianjin, Qingdao, Shanghai, Nanjing, Guangzhou, Wuhan, Chongqing and Shenyang, so as to deal a resolute counter-attack and deal a major blow to the bourgeoisie's rampant attacks on our Party on this issue (which are more dangerous and serious than war) for the past three years. The Party committees at all levels are requested to carry out a strict review of this matter. The Party committees at all levels are invited to plan this matter closely and to treat this struggle as a large-scale class struggle. In this struggle, the democratic parties and democrats from all walks of life should be given due consideration and attention should be paid to organising a united front for the 'three anti-struggles'.”³⁸

On 26 January 1952, Mao Zedong drafted for the Central Committee of the Communist Party of China (CPC) the "Instruction on the First Five Anti-Fighting Activities in Large and Medium-sized Cities", which was issued to oppose bribery, tax evasion, theft of state property, cheating on state contracts, and theft of economic information. The "Five Anti's" campaign was launched rapidly throughout the country. In this way, the campaign against the corrupt elements in the government and the unscrupulous bourgeoisie was carried out in a coordinated manner.

The "Five Anti-Corruptions" campaign uncovered a large number of shocking problems. A section of the bourgeoisie and even small businessmen thought that they could still do what they wanted in a new democratic state led by the proletariat, as they had done when the Guomindang was in power. Of course, the Five Rebellions were carried out in accordance with the economic system of the new democracy, and what they opposed was the unlawful bourgeoisie and small industrialists, not the abolition of private ownership.

In the first half of February, the "Five Anti's" campaign was launched in all the major cities of the country and soon reached a climax. After the campaign was launched, labour relations in private factories changed dramatically. The workers were the main force behind the movement and were guided by working groups. The workers supervised the capitalists and set up a committee with labour representatives to check accounts and taxes. The capitalists were divided into big tigers (including factory owners, managers and other big capitalists) and small tigers (accountants and tax preparers), and their policies were explained to them so that they could give a clear explanation and show the way out. At the time of the meeting, the capitalists were asked to confess, and at one time workers took turns to guard the managers and others around the clock. Some capitalists confessed within three or two days, while others hanged themselves out of fear, the latter being a more radical phenomenon. The president of the union was elected by the workers and was usually a poor peasant from a good background and with a high level of ideological awareness. The management had to report to the union at least once a month, and workers had to be dismissed by the union. Moreover, workers' wages, benefits and labour insurance were upgraded.

In the course of the campaign, the workers also became more aware and strengthened their own organisations. In the second half of March 1952, the trade union organisations of the state-owned enterprises in Tianjin, under the unified leadership of the Party organisation and the economical inspection committee, carried out a general "cleansing" campaign among the workers. As a result of this mass self-education campaign, the workers' class consciousness was greatly raised and they drew a clear ideological line with the bourgeoisie, consciously cleared themselves of the vices of the old society and established a labour movement of being masters of their own house and protecting their collective interests. In the past, some workers envied the life of the capitalists and some even

³⁸ Jin Chonghe and Pang Xianzhi: *A Biography of Mao Zedong*.

planned to open shops; after the movement, everyone said: "In the past, we always looked at the capitalists as rich and generous. Today, we realise that their money comes from exploiting us workers. We are still the glorious working class!" In the past, some workers in the factories used to take tools and equipment home from the factories. In this campaign, they offered to the factory what they had taken from the factory before and after liberation. Everyone said, "In the past, we were always afraid of losing our jobs and not having food to eat; now we won't lose our jobs, so why keep it? If we give it to the factory, it will add to our strength." In this campaign, more than 340 workers of the Tianjin Textile Machinery Factory handed over 28,800 pieces of equipment and tools, worth more than 120 million yuan. The workers' class consciousness had been raised, and they were more energetic in production and in pursuing cases against the embezzlers. Building on this good foundation, the factories continued to consolidate their trade union organisations and strengthen their work.

The restructuring of the trade unions in the private sector has also had remarkable results. The shop stewards' unions, which used to be one of the weakest links in trade union work, were one of the main targets of the offending capitalists' attacks on the working class. As a result, the situation of impurity in these trade unions was quite serious, with many shop stewards not having a high level of class consciousness and unable to distinguish between many workers and the bourgeoisie. After the beginning of the "Five Anti-vice" campaign, the Party committees and the leading trade union organs in the major cities, in accordance with the needs of the struggle, adopted various effective methods and carried out extensive and in-depth class education for the workers and shop stewards. During the reorganisation of the trade unions, the majority of them were at the same time free to select activists to become trade union cadres and to expand their organisations. During the organisational reorganisation, the trade unions handed over to the workers the charges against the bad elements, allowing them to discuss them and come up with their own ideas for dealing with them. As a result of these discussions, the workers became more attached to their organisation and more aware of the need to reorganise it. As a result, the class consciousness of the workers was raised, the trade unions were enlarged and their combat power was increased.

There were also some unavoidable mistakes in the "Five Antis Movement", which Mao Zedong corrected. "During the movement, there had been a false slogan of 'set fire to industry and commerce, raid the Democratic National Construction Association', which Mao Zedong quickly discovered and corrected. The powerful 'Five Antis'-campaign gave a great shock to the unscrupulous capitalists, and many of them confessed their illegal acts, which was a powerful complement to the 'Three Antis'-campaign, which was still in its infancy. However, the 'Five Antis' campaign also created a tense atmosphere in society for a while, with capitalists panicking, production in private enterprises declining, the market slowing down, tax revenues decreasing, unemployed workers increasing, and capital construction projects being postponed. and affected the recovery and development of the national economy. The first measure taken by Mao Zedong was to encourage law-abiding industrial and commercial households to carry on business as usual, and to draw conclusions as soon as possible on those with minor problems and classify them as law-abiding households, so as to broaden the scope of law-abiding households. expand as much as possible the number of industrial and commercial households to be fought for, united and protected, and to isolate and combat to the maximum extent possible the very few serious law-breaking capitalists, a strategic idea of Mao's that is becoming more and more distinct."³⁹

The "Three Anti's" and "Five Anti's" consolidated the political and economic order of the new democracy, fought against the corrupt elements within the Party, and brought the retained Guomindang officials and the national bourgeoisie under the supervision and planning of the proletariat, laying the foundation for the future socialist transformation. The mass movement

³⁹ Jin Chonghe and Pang Xianzhi: *A Biography of Mao Zedong*.

adopted during the movement not only raised the political consciousness of the people and their capacity to fight, encouraged the masses to participate in political life, raised the status and welfare of the proletariat in the struggle, gained more class benefits and strengthened the class organisation, but also ensured the real success of the movement. Even though there were inevitably some problems in the movement, they were corrected in time, a typical pattern of mass movements under the leadership of the Party. To demand that the masses make no mistakes is to reject people's democracy, and the people can only exercise this themselves in the movement and thus liberate themselves. In contrast, Xi Jinping's so-called strict governance of the Party today is in essence only a movement of the upper echelons, cracking down on dissidents, without the participation of the masses and without a thorough crackdown on the "tigers". Without the leadership of the proletariat and the line of a mass movement, the fight against corruption cannot be truly successful.

4. New social trends and culture

1. The "Bandit Eradication" Campaign

After the retreat of the Guomindang, a large number of remnants of the armed forces turned into bandits, committing crimes. By the end of 1952, the large-scale anti-bandit campaign had been completed, with 2.4 million bandits destroyed. The "bandit eradication campaign" saved society from the scourge of bandits and bullies, consolidated the people's democratic dictatorship, ensured the safety of people's lives and property, and enabled a new social culture to develop.

2. New social movement

After the founding of New China, under the leadership of the party and the people's government, the people were mobilized to clean up the old society of pornography, gambling and drugs, and to clean up the dirty and stinky public streets of the Republic of China. At the same time, the crackdown on prostitution was accompanied by medical treatment for prostitutes, skills training and assistance in changing careers. The old society was completely wiped out and a new atmosphere was created. Isn't it thought-provoking that after the reform and opening up, pornography, gambling and drugs have all reappeared and spread again?

The Marriage Law of the People's Republic of China was promulgated on 30 April 1950, providing for a new marriage system that:

"The feudal marriage system of arranged coercion, male superiority, and disregard of the interests of children was abolished. The new democratic marriage system, which provides for freedom of marriage between men and women, monogamy, equality of rights between men and women, and protection of the legitimate interests of women and children, was introduced."

"Bigamy and concubinage are prohibited. Child brides are forbidden. It is forbidden to interfere with a widow's freedom of marriage. It is forbidden for anyone to use the issue of marriage as a means of soliciting property."

The new Marriage Law laid the legal foundation for the emancipation of women and the establishment of a new marriage system, but there was still a long way to go for women's emancipation. The new China did not stop there, as the emancipation of women was a gradual process, as was the introduction of women into society, the equality of men and women in social work and management, the emancipation from domestic work, and the promotion of women's emancipation in literature and art. In the final analysis, of course, the emancipation of women required the emancipation of the whole society, including women's minds, and the struggle of women for liberation under the leadership of the Communist Party.

The eradication of the legacy of the old society laid the foundation for the establishment of a new social ethos. However, the struggle against the old ideas, customs, morals and culture of feudalism

was far from over. Only with the widespread establishment of socialist socialised production, the political and cultural struggle of the masses under the leadership of the Communist Party, and the development and maturity of a new culture can all the legacies of the old society be truly eradicated.

In addition to eradicating the legacy of the old society, the new China also carried out reforms in education and health care. In education, the new China made great efforts to establish schools, colleges and universities, to popularise basic education and to combat illiteracy among the masses. In 1952, the four basic principles of medical and health care were formulated: "the medical and health care system serves the workers, peasants and soldiers; prevention is the mainstay; Chinese and Western medicine are combined; and health work is combined with mass movements", and a large-scale "patriotic health campaign" was launched. "The aim was to eradicate parasites and improve the health of the people by improving the environment and medical conditions, and the people were widely mobilised to participate in the campaign. Such a health policy was highly effective, resulting in a significant increase in the health of the new Chinese people, a significant increase in life expectancy, and a significant decrease in neonatal mortality.

This led to a trend of high births and low deaths, which was the root cause of the dramatic rise in population after the founding of New China. Many people blame Mao's erroneous policies for the sharp rise in population, but this is in fact a complete distortion of the facts. How could there have been a sharp rise in population without improvements in medical and health conditions? It was just impossible to change people's fertility habits in time as the mortality rate declined, and then the policy of "family planning" was introduced, but it took some time to convince and educate the people and make them accept it. The reason why "family planning" worked so well after the Reform and Opening was that the bureaucrats used it as a means of exploiting the people, making them suffer and forcing them to accept a low-birth-rate plan, thus bringing the birth rate down quickly.

3. The literary criticism movement

Literature and art do not exist independently of society; "literary works, as conceptual forms, are the product of a certain reflection of social life in the human mind."⁴⁰ Thus.

" Let us consider the first problem. In the world today all culture, all literature and art belong to definite classes and are geared to definite political lines. There is in fact no such thing as art for art's sake, art that stands above classes or art that is detached from or independent of politics. Proletarian literature and art are part of the whole proletarian revolutionary cause; they are, as Lenin said, cogs and wheels in the whole revolutionary machine."⁴¹

Since Marxism is fully aware of this point, what makes it different from the literature and art of all previous eras is that the literature and art of the proletariat should consciously become part of the proletarian revolution, unlike the literature and art of the past, which unconsciously or semi-consciously served their own class, so that they could exert greater power. At the 1942 Yan'an Literary and Art Symposium, Mao Zedong referred to literature and art as a front for the proletarian revolutionary cause.

" In our struggle for the liberation of the Chinese people there are various fronts, among which there are the fronts of the pen and of the gun, the cultural and the military fronts. To defeat the enemy, we must rely primarily on the army with guns. But this army alone is not

⁴⁰ Mao Zedong: *'Speech at the Yan'an Forum on Literature and Art'*, Selected Works of Mao Zedong (vol. 3). Beijing: People's Publishing House, p. 817.

⁴¹ Mao Zedong: *'Speech at the Yan'an Forum on Literature and Art'*, Selected Works of Mao Zedong (vol. 3). Beijing: People's Publishing House, p. 822.

enough; we must also have a cultural army, which is absolutely indispensable for uniting our own ranks and defeating the enemy. ⁴²

This requires a consciously proletarian stance and attitude on the part of literary artists.

"Our stand is that of the proletariat and of the masses. For members of the Communist Party, this means keeping to the stand of the Party, keeping to Party spirit and Party policy... From one's stand there follow specific attitudes towards specific matters." ⁴³

This in turn places certain requirements on the work and study of literary artists.

"...they must gradually move their feet over to the side of the workers, peasants and soldiers, to the side of the proletariat, through the process of going into their very midst and into the thick of practical struggles and through the process of studying Marxism and society. Only in this way can we have a literature and art that are truly for the workers, peasants and soldiers, a truly proletarian literature and art." ⁴⁴

If literary artists are to be able to achieve such a position and attitude and to fulfil such a task, they need the leadership of the proletariat, that is, the vanguard of the proletariat.

This is the political aspect of literature and art, but there is also the question of the level of creativity in literature itself. In order to achieve a high level of creativity, it is first and foremost a question of sources.

"The life of the people is always a mine of the raw materials for literature and art, materials in their natural form, materials that are crude, but most vital, rich and fundamental; they make all literature and art seem pallid by comparison; they provide literature and art with an inexhaustible source, their only source. In fact, the literary and artistic works of the past are not a source but a stream; they were created by our predecessors and the foreigners out of the literary and artistic raw materials they found in the life of the people of their time and place. We must take over all the fine things in our literary and artistic heritage, critically assimilate whatever is beneficial, and use them as examples when we create works out of the literary and artistic raw materials in the life of the people of our own time and place. It makes a difference whether or not we have such examples, the difference between crudeness and refinement, between roughness and polish, between a low and a high level, and between slower and faster work. Therefore, we must on no account reject the legacies of the ancients and the foreigners or refuse to learn from them, even though they are the works of the feudal or bourgeois classes. But taking over legacies and using them as examples must never replace our own creative work; nothing can do that. Uncritical transplantation or copying from the ancients and the foreigners is the most sterile and harmful dogmatism in literature and art. China's revolutionary writers and artists, writers and artists of promise, must go among the masses; they must for a long period of time unreservedly and whole-heartedly go among the masses of workers, peasants and soldiers, go into the heat of the struggle, go to the only source, the broadest and richest source, in order to observe, experience, study and analyse all the different kinds of people, all the classes, all the masses, all the vivid patterns of life and struggle, all the raw materials of literature and art. Although man's social life is the only source of literature and art and is incomparably livelier and richer in content, the people are not satisfied with life alone and

⁴² Mao Zedong: *'Speech at the Yan'an Forum on Literature and Art'*, Selected Works of Mao Zedong (vol. 3). Beijing: People's Publishing House, p. 804.

⁴³ Mao Zedong: *'Speech at the Yan'an Forum on Literature and Art'*, Selected Works of Mao Zedong (vol. 3). Beijing: People's Publishing House, p. 805.

⁴⁴ Mao Zedong: *'Speech at the Yan'an Forum on Literature and Art'*, Selected Works of Mao Zedong (vol. 3). Beijing: People's Publishing House, p. 814.

demand literature and art as well. Why? Because, while both are beautiful, life as reflected in works of literature and art can and ought to be on a higher plane, more intense, more concentrated, more typical, nearer the ideal, and therefore more universal than actual everyday life. Revolutionary literature and art should create a variety of characters out of real life and help the masses to propel history forward."⁴⁵

Secondly, there is the dialectic between popularisation and enhancement.

"Popular works are simpler and plainer, and therefore more readily accepted by the broad masses of the people today. Works of a higher quality, being more polished, are more difficult to produce and in general do not circulate so easily and quickly among the masses at present.

Nevertheless, no hard and fast line can be drawn between popularization and the raising of standards. Not only is it possible to popularize some works of higher quality even now, but the cultural level of the broad masses is steadily rising. Here popularization means popularizing for the people and raising of standards means raising the level for the people. In China as a whole the development of the revolution and of revolutionary culture is uneven and their spread is gradual. With us, therefore, the raising of standards is based on popularization, while popularization is guided by the raising of standards."⁴⁶

Popularity and raised standards are complementary, mutually constraining and mutually reinforcing, but both serve the people and the proletarian revolution, which is the orientation of popular literature and art.

In terms of the genre of literature and art, the "Yan'an Forum on Literature and Art" set the direction of "socialist realism".

At the same time, in addition to literary creation, there was also struggle in the literary world, and "Literary and art criticism is one of the principal methods of struggle in the world of literature and art."⁴⁷ In line with the criteria for literary creation, there are also two criteria for literary criticism, political and artistic. Politics means whether literary and artistic creation is objectively based on the standpoint of the proletariat and whether it can serve the revolutionary cause of the proletariat. At the same time, the

"Politics cannot be equated with art, nor can a general world outlook be equated with a method of artistic creation and criticism. We deny not only that there is an abstract and absolutely unchangeable political criterion, but also that there is an abstract and absolutely unchangeable artistic criterion; each class in every class society has its own political and artistic criteria. But all classes in all class societies invariably put the political criterion first and the artistic criterion second.What we demand is the unity of politics and art, the unity of content and form, the unity of revolutionary political content and the highest possible perfection of artistic form. Works of art which lack artistic quality have no force, however progressive they are politically. Therefore, we oppose both the tendency to produce works of art with a wrong political viewpoint and the tendency towards the "poster

⁴⁵ Mao Zedong: *'Speech at the Yan'an Forum on Literature and Art'*, Selected Works of Mao Zedong (vol. 3). Beijing: People's Publishing House, p. 817-818.

⁴⁶ Mao Zedong: *'Speech at the Yan'an Forum on Literature and Art'*, Selected Works of Mao Zedong (vol. 3). Beijing: People's Publishing House, p. 818-819.

⁴⁷ Mao Zedong: *'Speech at the Yan'an Forum on Literature and Art'*, Selected Works of Mao Zedong (vol. 3). Beijing: People's Publishing House, p. 824.

and slogan style" which is correct in political viewpoint but lacking in artistic power. On questions of literature and art we must carry on a struggle on two fronts."⁴⁸

As part of the Yan'an Rectification Movement, after the Yan'an Forum on Literature and Art, Yan'an's literary and art circles also began to rectify. Under the guidance of Chairman Mao's correct literary and artistic thought, the "Yan'an Forum on Literature and Art" gave birth to a group of proletarian artists in China, who created a large number of works of proletarian revolutionary literature and art.

In July 1949, the first National Literary Congress was held. Zhou Enlai called the conference a "meeting" of literary and artistic workers from the liberated and white areas. The conference established the direction of "realism" and the critical absorption of classical Chinese literature, foreign literature and Soviet literature. In addition, after the founding of the state, all intellectuals were integrated into the state's administrative, educational or literary institutions, many with administrative ranks, and their socio-economic status was greatly enhanced, with the "three famous and three highs".⁴⁹

Now that a new democratic state had been established, a new literature and art had to be adapted to it. This required both inheriting the traditions of Yan'an literature and art and creating new literary works for a new era; praising the great achievements of the working people and socialism and criticising reactionary and backward phenomena in society to inspire people to continue the revolution and move forward with socialist construction. However, in reality, feudal, bourgeois and petty-bourgeois literature and art still existed widely, which required the struggle of literary criticism. The first climax of the literary criticism was triggered by the release of the film *The Life of Wu Xun*.

In the late 1950s, the film *The Life of Wu Xun* was shown nationwide, telling the story of Wu Xun, a poor peasant from Shandong province who 'begged for money and raised a school' in the late Qing Dynasty. Wu Xun relies on begging and the financial support of the local gentry to set up a 'voluntary school', with a defeated Taiping soldier in exile as the 'antagonist'. At the end of the film, a primary school teacher says that the spirit of Wu Xun is "the spirit of 'serving the people' as Chairman Mao said". The film was warmly praised. However, on 20 May 1951, Mao Zedong wrote an editorial for the People's Daily: "The discussion of films should be taken seriously", criticising the film:

"The question raised by *The Life of Wu Xun* is fundamental in nature. A fellow like Wu Xun, living as he did towards the end of the Qing Dynasty in an era of great struggle by the Chinese people against foreign aggressors and domestic reactionary feudal rulers, did not lift a finger against the feudal economic base or its superstructure; on the contrary, he strove fanatically to spread feudal culture and, in order to gain a position for this purpose previously beyond his reach, he fawned in every way on the reactionary feudal rulers -- ought we to praise such disgusting behaviour? How can we tolerate praising it to the masses, especially when such praise flaunts the revolutionary banner of "serving the people" and when the failure of revolutionary peasant struggles is used as a foil to accentuate the praise? To approve or tolerate such praise is to approve or tolerate abuse of the revolutionary struggles of the peasants, abuse of Chinese history, abuse of the Chinese nation, and to regard such reactionary propaganda as justified.

The appearance of the film *The Life of Wu Xun*, and particularly the spate of praise lavished on Wu Xun and the film, show how ideologically confused our country's cultural circles have become!

⁴⁸ Mao Zedong: 'Speech at the Yan'an Forum on Literature and Art', Selected Works of Mao Zedong (vol. 3). Beijing: People's Publishing House, p. 826.

⁴⁹ Namely: "famous scholars, actors and professors, high salaries, bonuses and remuneration".

In the view of many writers, history proceeds not by the new superseding the old, but by preserving the old from extinction through all kinds of exertion, not by waging class struggle to overthrow the reactionary feudal rulers who ought to be overthrown, but by negating the class struggle of the oppressed and submitting to these rulers in the manner of Wu Xun. Our writers do not bother to study history and learn who were the enemies oppressing the Chinese people and whether there was anything commendable about those who submitted to these enemies and worked for them. Nor do they bother to find out what new economic formations of society, new class forces, new personalities and ideas have emerged in China during the century and more since the Opium War of 1840 in the struggle against the old economic formations and their superstructures (politics, culture, etc.) before they decide what to commend and praise, what not to, and what to oppose.

Certain Communists who have allegedly grasped Marxism merit special attention. They have studied the history of social development -- historical materialism -- but when it comes to specific historical events, specific historical figures (like Wu Xun) and specific ideas which run counter to the trend of history (as in the film *The Life of Wu Xun* and the writings about Wu Xun), they lose their critical faculties, and some have even capitulated to these reactionary ideas. Isn't it a fact that reactionary bourgeois ideas have found their way into the militant Communist Party? Where on earth is the Marxism which certain Communists claim to have grasped?

For the above reasons, it is imperative to unfold discussion on the film *The Life of Wu Xun* and on the essays and other writings about Wu Xun and thereby thoroughly clarify the confused thinking on this question.⁵⁰

At a time when the whole country was undergoing a new democratic transformation, Wu Xun's biography celebrates a man who promotes the old culture, which runs counter to the "new culture and new style" of literacy, modern production, health, science and technology that the Communist Party was promoting in the cities and the countryside, and which the working people needed for their liberation. The land reform abolished land ownership in the new China and the economic basis for the education of the feudal aristocracy, and all peasant children should receive a modern education rather than remain in the grip of the old culture.

From 23 to 28 July 1951, the People's Daily serialised Jiang Qing and Zhong Xiaoxian's historical investigation of Wu Xun. Zhou Yang, who had enthusiastically praised Wu Xun's biography, eventually characterised it as "anti-historical, anti-people and anti-realist". This article inaugurated the literary criticism movement, which was followed by a nationwide campaign of literary criticism and intellectual "ideological reform". In fact, it was hoped that intellectuals would consciously stand on the side of the proletariat and produce works that would be conducive to the advancement of the cause of the proletarian revolution, thus truly playing their role as a front for the revolutionary cause.

Many people have a strong prejudice against literary criticism in the socialist period. Since literature and art are part of society and are rooted in its economic and material foundations, the building of a new society requires the criticism of the old culture and the building of a new one. The bourgeois view that culture is independent of politics is in fact a hope that the old - feudal and bourgeois - culture can be left uncriticised in the new society, which is in fact not supra-class but only from the standpoint of the bourgeoisie. If their works do not serve the toiling masses, or are even contrary to their emancipation, should they not be criticised? Is it right that the bourgeoisie should trample the

⁵⁰ Mao Zedong: 'Pay Serious Attention to the Discussion of the Film <The Life of Wu Xun>', Selected Works of Mao Zedong (vol. 5). Beijing: People's Publishing House, pp. 46-47.

working masses underfoot, believing that they have no right to dictate the so-called "refined" literature and art?

The literary criticism movement in New China, which was carried out at different times, made an indelible contribution to the establishment of a genuine proletarian literature and socialist culture, which cannot be stigmatised. Some people describe such a movement as Mao's personal dictatorship, or even as a personal vendetta between Mao and the literati, which is pure nonsense from a historically idealistic point of view and without a careful observation of the historical development process. Only by carefully studying the various literary and artistic criticism campaigns at the time in the context of the socio-historical process of the time can we truly understand the starting point and historical role of literary and artistic criticism.

5. Summary

The New Democratic Revolution was a people's democratic revolution led by the proletariat, and in many respects the content of the reforms was essentially the same as that of the bourgeois revolution. However, in the historical reality of China at that time, national capitalism was developing with great difficulty under the oppression of imperialism, bureaucratic capitalism and feudalism, and the bourgeoisie was extremely weak and compromising. Therefore, these elements of the bourgeois democratic revolution could only be accomplished by the new democratic revolution under the leadership of the proletariat.

Moreover, the New Democratic Revolution led by the proletariat was more radical than the democratic revolutions of other countries. The New Democratic Revolution in China and its continuation in the first three years of the country's existence led to the complete eradication of the old economic and political system and the establishment of a new democratic economic and political system with both socialist and capitalist elements, which greatly enhanced the political status and living standards of the people. At the same time, efforts were made to establish a new social style and culture in China, but it would take a longer struggle to completely eradicate the old culture and the old customs and traditions in society.

At the same time, during these three years, China's economy rose steadily on the basis of the restoration of pre-war levels. Fiscal and financial unification was achieved, the market order was reorganised and prices were stabilised. In 1952 the total agricultural output was 46.1 billion yuan, 41% higher than in 1949. The output of major agricultural products exceeded the highest level in history. Grain output was 163.92 million tonnes and cotton output was 1.304 million tonnes.

The mass movement approach to transformation adopted by China during the New Democracy period was conducive both to the heightened awareness of the masses and their enthusiasm for political participation, preventing bureaucratic manipulation, and to the thoroughness of the transformation, which would not have been possible without the mobilisation and reliance of the masses. Even if there were some problems, many of them were corrected. The bourgeoisie did not dare to mobilise the masses because their interests were fundamentally contradictory to those of the workers and peasants, and their vilification of the mass movement was therefore untenable in terms of historical facts.

But the New Democratic period also revealed the problem of the communists themselves becoming corrupt and degenerate. It also showed that the problem of the vanguard going against the masses was precisely the problem that the continuing revolution under the dictatorship of the proletariat needed to solve. While the socialist system was gradually being established, a bureaucratic clique gradually formed within the Party, which, in its political line, wished to remain at the stage of state capitalism and was unwilling to move forward, opposed socialist transformation, the participation of workers in the management of the state and the economy, the elimination of the three major differences and the eradication of bourgeois right. In their style of work, instead of inspiring the

masses, mobilising them and relying on them, they were commandist and authoritarian; in life, instead of continuing to struggle hard, they were corrupt and degenerate. Thus, the ensuing socialist transformation and the continuation of the revolution under the dictatorship of the proletariat, along with the revolution in the relations of production, political relations and culture, also entailed a struggle within the Party line.

Section 2: The transition to socialism begins and the divergence of lines deepens

I. The transition to socialism

The highest aim of the Communist Party of China is building socialism and thus entering communism. This is also recognized as the direction of China's development. The question was, when will China begin to transition to socialism.

Some argued that the transition to a socialist economic system, which began in 1953 and was basically completed by 1957, was wrong and beyond this stage. "To eliminate capitalism and the bourgeoisie prematurely is to make a mistake, and after you have eliminated them, you will have to invite them back."⁵¹ Until after the reform and opening up, they said, "We now realise that China needs to have the bourgeoisie that has enabled social production forces to develop to the point where class differences can be completely eliminated, and have begun to invite them back."⁵² Because they believed that a socialist system could only be established through capitalist development and the establishment of socialised mass production, this was a typical productivity-only theory, with which Deng Xiaoping's theory was in line.

As Marx said in his objection to the rigidity of his theory of history:

"He must turn my historical overview of the origins of capitalism in Western Europe into a philosophical theory of history of the general path of development that all peoples, whatever their historical circumstances, are destined to take—so that in the end they all reach an economic form which, while ensuring the very high development of the productive forces of social labour, guarantees the most comprehensive development of each individual producer. To achieve such an economic form that guarantees the extremely high development of social labour productivity and at the same time guarantees the most comprehensive development of each producer. But I want to ask him to forgive. (He will give me too much honour for doing so, and at the same time would also give me too much insult.)"⁵³

When confronted with the question of whether the primitive rural communes of Russia could make a direct transition to communism, Marx replied that:

"Another circumstance which favours the preservation of the Russian commune (through its development) is this: In the presence of the Russian commune, whether in Western Europe or in the United States, this social system is now in opposition to science, to the masses of the people, and even to the productive forces themselves which it has produced."⁵⁴

"Since the agricultural commune is the final stage of the primary form of society, it is at the same time a stage of transition to the secondary form, i.e. the transition from a society based on communal ownership to a society based on private ownership. It goes without saying that secondary forms include a range of societies based on slavery and serfdom. But does this mean that the historical path of the agrarian commune necessarily leads to this outcome? Absolutely not. The inherent duality of the agrarian commune leaves it with only

⁵¹ Liu Shaoqi: 'Speech at the Tianjin Workers' Congress', 28 April 1949. See Liu Yuan (ed.), *The Liu Shaoqi You Don't Know*, p. 24.

⁵² Wang Guangmei, "With the Emperor in the Boat, Wind and Rain without Regret". See Liu Yuan (ed.), *The Liu Shaoqi You Don't Know*, p. 24.

⁵³ Marx: 'Letter to the editorial office of the journal "Chronicle of the Fatherland"', Marx Engels' Collected Works (vol. 3). Beijing: People's Publishing House, pp. 466.

⁵⁴ Marx: 'Preliminary Draft of the Reply to I. Zasulich', Collected Works of Marx and Engels (vol. 3). Beijing: People's Publishing House, p. 572.

two options: either its private element overcomes the collective element, or the latter overcomes the former. It all depends on the historical circumstances in which it finds itself."⁵⁵

It is clear that Marx did not believe that the history of each country would follow a fixed sequence, passing through each historical stage in turn, and that the direction in which a particular society could develop would depend on a comprehensive analysis of the specific historical circumstances of the time. Lenin, faced with the development of Russia, also said that:

"What is to be done when the power of the workers and peasants has been strengthened tenfold by a situation of hopelessness, which has enabled us to create the fundamental preconditions for the development of civilisation in a different way from all the other countries of Western Europe? Has the general course of world history changed as a result? Has the fundamental interrelationship of the fundamental classes in each country, which is involved and has been involved in the general process of world history, changed as a result?

Since the establishment of socialism requires a certain level of culture (although no one can say what this certain "level of culture" is, since it varies from one Western European country to another), why can we not first obtain the prerequisites for reaching this level by revolutionary means and then catch up with other peoples on the basis of workers' and peasants' power and the Soviet system?"⁵⁶

At the time when Europe was developing towards capitalism, the science and technology needed for mass production had not yet been developed, and only the development of capitalism could lead to the emergence of mass production, thus laying the foundation for the emergence of scientific socialism and the establishment of socialism. The historical conditions in China at that time were that the science and technology needed for mass production had already been developed in Europe, America and the Soviet Union, that the scientific theory of the proletariat - Marxism - had become the theoretical weapon of the Chinese proletariat, and that the proletariat was the leading class in the regime, and there was also scientific, technological and financial assistance from the Soviet Union to China. Under all these conditions, if the struggle and economic construction strategies were right, it was entirely possible for China to build up the foundations of industrialisation while making the transition to socialism, and to continue industrialisation under a socialist system, eventually building up the productive forces base of socialised mass production, as well as the political and economic relations and cultural foundations for the development of socialism into communism.

Some have used Lenin's 'new economic policy' to argue for the 'capitalist remedy theory', but Lenin explicitly said that the 'new economic policy' was 'a concession to the peasants as merchants'.⁵⁷ In fact, it was mainly a concession to the middle peasants. The path of the Chinese revolution was very different from that of the Russian revolution in that it was a 'rural encirclement of the city' and the Communist Party therefore had a good base among the poor and middle peasants and enjoyed widespread support, which was also the class basis for the co-operativisation of agriculture and even the transition to the people's communes later on.

Moreover, agricultural cooperatives were actually started by peasants on their own initiative and later promoted by the central government. As we know, China's rural areas were so densely populated that the small farmer economy had reached its limits by the end of the Qing Dynasty, and it was simply impossible to achieve prosperity through it. The only way to develop agriculture was to

⁵⁵ Marx: *Three Drafts of the Letter to I. Zasulich*, Marx Engels' Collected Works (vol. 3). Beijing: People's Publishing House, p 586.

⁵⁶ Lenin: *On the Revolution in Our Country*, Selected Works of Lenin (vol. 4). Beijing: People's Publishing House. p. 777.

⁵⁷ Lenin: *On Cooperatives*, Selected Works of Lenin (vol. 4). Beijing: People's Publishing House, p. 767.

rely on mechanised mass production and modern agricultural technology, but the small peasant economy could not cope with such productivity, and individual peasants did not have the economic power, knowledge or technology to realise mechanised mass production, nor was it possible to do so on small plots of land. There were two directions: the capitalist farm and the development from co-operatives to people's communes. The development towards capitalism will lead to a situation where "the poor will have no place to stand, while the rich will have fields to live on", which will inevitably result in a large number of landless peasants, while urban industrialisation will not be able to provide them with enough jobs at once. Then a situation like the "Enclosure Movement" in the United Kingdom will appear. This is the tragic situation of farmers and migrant workers since China's reform and opening up. Moreover, capitalist agriculture would inevitably result in the peasants and the proletariat bearing the costs of national industrialisation, while the capitalists would waste a large amount of surplus products, making industrial accumulation difficult and perverse. Thus, collectivisation was in fact both a modernisation of agriculture and an industrialisation initiative.

The industrialisation of the Western European countries relied on the brutal exploitation of their colonies to accumulate raw capital. In this process of primitive accumulation, more than 20 million Indians were killed in the Americas, nearly 100 million labourers were lost in Africa, Africans were reduced to black slavery, while Britain's own peasants and proletariat lived like slaves, and one eighth of the population died in the Irish Famine, a path impossible for China's development. And development on the capitalist model, in the context of the world at the time, would have been either a monstrous development of industry and the impossibility of heavy industry because of the profit-seeking nature of capitalism, or an economic colony of imperialism. On the one hand, countries in East Asia and Southeast Asia, which have developed with an export-oriented economy like Japan, have an international background of industrial transfer, and on the other hand, they have a small depth. Moreover, these developed Asian countries are actually dependent on Europe and the United States and have lost their independence. Under socialist conditions, the society will share the cost of industrialization, which will not make the lives of workers and peasants as miserable as in primitive capitalist accumulation, and can gradually expand the welfare of workers and peasants; moreover, the state can carry out industrialization in a planned way, balancing heavy industry, light industry, and industrialization. and agriculture, coastal and inland, urban and rural. In fact, only the socialist model of industrialization was most in line with the reality of the time.

It can thus be said that China at that time could not only make the transition to socialism and carry out socialist national industrialisation, but that only socialism could really put China on the right track of industrialisation, or that "only socialism could save China". Thus, those who attacked Mao for knowing only war and not economics were in fact completely ignorant of the specific conditions that China faced at that time. It was in the light of the specific conditions that China faced at the time that Chairman Mao made the decision to make the transition to socialism.

2. The Three Great Transformations and the First Five-Year Plan

1. The First Five-Year Plan and the General Line of the Transition

With the recovery of the domestic economy, the completion of the land reform and the victory in the Korean War, the next task before the Chinese people was the industrialisation of the country, which, against the backdrop of the imperialist world, was the only way to preserve the fruits of the proletarian revolution by establishing the industrialisation of the country and modernising its defence. "The First Five-Year Plan, the first five-year plan for the industrialisation of the country, began to be drawn up at the beginning of 1951, and by August 1952, the Draft Outline of the First Five-Year Plan had been produced. The period of implementation of the First Five-Year Plan was from 1953 to 1957.

The focus of the 1st Five-Year Plan was heavy industry and the corresponding infrastructure construction, because heavy industry is the foundation of a country's industrial system, and energy,

materials, and machinery all rely on heavy industry. Without the development of heavy industry, light industry would be heavily dependent on foreign countries, and it would be difficult to build a modern national defense. According to the industrialisation of capitalism, the industrialisation of the country would start from light industry, which would be deformed and time-consuming, and it would be difficult to form a complete industrial system in the end.

And this is also the reason why China's living standards did not rise as fast as the economy developed in the 27 years after the founding of the People's Republic of China, because to build industrial infrastructure, it was necessary to accumulate a large amount of surplus products, which could not be consumed. This is considered from the long-term interests. During the reform and opening up, China's industrial system was basically established and it was possible to start improving consumption. In fact, without reform and opening up, the shift from a focus on accumulation to a balance of accumulation and consumption was inevitable, and without the exploitation of the bourgeoisie, the living standards of the proletariat and peasants would have been far better than they are now. Starting from living standards and disregarding the structure of this development has led many to conclude that the socialist period was not as fast as the economic development of the restoration period, which is in fact an empirical error.

The First Five-Year Plan included 694 large and medium-sized projects, 156 of which were funded by the Soviet Union, but at least 70 per cent of the construction funds had to be raised by China itself. Heavy industrial enterprises were often capital and technology intensive, which required China to pool a large amount of capital into industrial construction. The only sources of capital were China's existing agriculture, handicrafts and capitalist industry and commerce, which demanded a transition to socialism.

Previously, when not faced with the reality of the problem, the Central Committee believed that New Democracy should be a long period of time. On 27 July 1948, the Central Committee of the Communist Party of China proposed that "it is only possible to reach socialism after the development of a New Democratic economy, the massive development of public and private modernised industries, and the collectivisation of the individual peasant economy on the basis of mechanisation." At a meeting of the Central Secretariat in September 1952, faced with the objective conditions at the time, Mao proposed that "the transition to socialism should be completed in 10 to 15 years from now, not 10 years later." "It will take 10 to 15 years from now to complete the transition to socialism, not 10 years later to start the transition." At the meeting, Mao Zedong also criticized Liu Shaoqi's formulation of "establishing a new democratic social order". At the work conference of the Political Bureau of the Central Committee in August 1953, Mao Zedong also stated that "The Party's general line or general task for the transition period is basically to accomplish the country's industrialization and the socialist transformation of agriculture, handicrafts and capitalist industry and commerce over a fairly long period of time."⁵⁸ By February 1954, the Fourth Plenary Session of the Seventh Central Committee of the Communist Party of China formally put forward the general line of the transitional period. That is, "to establish the basis for the industrialisation and modernisation of the country's defence and to carry out socialist transformation of agriculture, handicrafts and capitalist industry and commerce."

It can be seen that the socialist transformation was in fact based on many factors that were conducive to the construction of socialism and the urgent need to establish a socialist system, and was a decision based on the specific historical conditions of the time. To oppose socialist transformation is in fact a dogmatic view that ignores the specific historical conditions.

2. Agricultural co-operatives

⁵⁸ Mao Zedong: *'The Party's General Line for the Transition Period'*, Selected Works of Mao Zedong (vol. 5). Beijing: People's Publishing House. 89 pp.

The co-operativisation of agriculture was in fact an inevitable requirement of the development of agricultural productivity after the land reform, and was gradually taking place at the same time as the land reform, a process that was furthered by the needs of national industrialisation.

At the same time as the land reform movement, peasants began to set up mutual aid groups. Mutual aid groups are collective labour organisations with socialist elements, formed by peasants on an individual basis, and are divided into temporary and permanent mutual aid groups. In the newly reformed countryside,

"In villages where there are not enough ploughs, wagons, tanks, ploughs and sowing machines pulled by animals, where poor farmers have only one leg of an ox for a few families, where there are ploughs but no wagons, and where there are wagons but no ploughs, mutual aid is advantageous, at least at first, and relatively easy to organise. The basic principle of mutual aid is that it is 'mutual and voluntary', that equal labour or equal value should be exchanged and that it should be democratically managed. Moreover, in order to implement this principle easily, mutual aid groups should not be too large."

"At the stage of mutual aid groups, families exchange labour, animal power and large farming tools on the basis of mutual aid, child for child, adult for adult, ox for ox, cart for cart. The farm animals, classified as first, second and third class, were given different levels of pull and were exchanged at equal rates. When it was not possible to balance the contributions of individuals and households, it was customary for the group to make up the difference with food, so that no one took advantage and no one had to bear the burden of others."⁵⁹

The central government also discussed mutual aid groups, and on 9 September 1951, it convened the first conference on mutual agricultural co-operation. However, soon the problems of the mutual aid groups were also revealed.

"As soon as the families started working together, there were difficulties in making decisions. For example, when it rains and the land is loose and easy to hoe, whose land should we hoe first? When the crops are dry, whose field should be watered first? What rate shall we give in exchange for your mule pulling my cart? I owe you some grain to get even, but mine is a bit mouldy, so how much of a discount should I give? To decide these things would require many meetings and therefore a lot of time. We could avoid these problems by disbanding the mutual aid groups, or we could get around them by combining the land, the animals and the big implements and working together to grow the land and share the harvest. If it is decided to merge the land, we solve many of these problems."⁶⁰

Dissolution was in effect a return to the old small peasant economy, which of course was not feasible, and hence the primary agricultural production cooperative societies. The primary society is a semi-socialist rural collective economic organisation, a transitional form of transformation of China's rural economy from an individual economy to a socialist collective economy. In the primary societies, the peasants, on the basis of the principle of voluntary mutual benefit, divide their private land, farm animals, large farming tools and other major means of production into societies for unified management and use, and pay appropriate dividends for the land according to its quality and quantity, as well as a certain amount of remuneration for other means of production. The primary cooperative community organises collective work on the basis of the division of labour and collaboration among its members, who are remunerated for their work according to the principle of distribution according to work, with the products at the disposal of the community and a certain amount of public accumulation. Compared with mutual aid groups, primary societies have unified

⁵⁹ Han Ding: *"Preface to the Chinese Edition of <Shen Fan>*

⁶⁰ Han Ding: *"Preface to the Chinese Edition of <Shen Fan>*

the management of land and other means of production, accumulated a certain amount of public property, worked collectively under the unified plan of the society, and partially realised the principle of distribution of products according to labour. The primary societies partially changed the system of private ownership and promoted the development of the productive forces, and were a transitional form of transformation from an individual economy to a socialist collective economy. It was under realistic conditions that mutual aid groups began to develop into primary agricultural cooperative societies.

In fact, the mutual aid groups have faced many problems, the first being the beginning of a division between the rich and the poor in the countryside.

"According to a survey of six villages, 139 households (11.8 per cent of the total number of households) sold 410 mu of land (2.28 per cent of the total arable land) between 1949 and 1950. Some wealthy peasants occupied more than double, or even triple the amount of arable land per capita in their villages. Some of the wealthy peasants were unable to buy land, so they resorted to usury, saying that 'people are tired of making money, but money makes a lot of money', and the annual interest rate was as high as 60 per cent or even 180 per cent. By the spring of 1951, before the primary agricultural cooperative society was set up on a trial basis, the Changzhi local committee reported that the newly rich peasants in the region accounted for 0.8 per cent of the total number of peasant households, and 13.7 per cent of the peasants had fallen from the middle peasants to the poor peasants."⁶¹

Secondly, the mutual aid groups developed in two directions due to their own contradictions, and in many places where the Party leadership was unfavourable, instead of moving towards primary agricultural cooperative societies, they moved towards dissolution. The development from mutual aid groups to primary societies, although based on actual contradictions and a grassroots creation, required Party leadership in order to move the countryside in the right direction, but it was at this point that differences in Party line began to emerge.

In March 1951 Lai Ruoyu, secretary of the Shanxi Provincial Committee, reported to the North China Bureau that

"It is necessary to raise the mutual aid organisations steadily, but actively, and to lead them to a higher form. Only in this way can the trend of disorganisation be largely reversed. In order to achieve this, we decided on the one hand to run the existing state farms and new-style agricultural tool stations to influence the peasants, and on the other hand to promote the good experience already gained and to set up a few co-operative societies in each of the counties of Changzhi on a trial basis - adopting two standards of distribution according to land according to labour, collecting provident funds and accumulating public property."⁶²

However, this initiative was opposed by the capitalist-roaders within the Party and after several meetings, on 3 July, Comrade Liu Shaoqi approved the report of the Shanxi Provincial Party Committee, with the following text.

"In the countryside after the land reform and in the midst of economic development, the spontaneous forces and class divisions of the peasants have begun to manifest themselves. There are already some comrades in the Party who are afraid of these spontaneous forces and class divisions and are trying to stop and avoid them. They have the illusion that they can stop or avoid this trend by means of mutual labour groups and supply and marketing cooperatives. The idea has been put forward that the basis of private ownership should be gradually shaken, weakened or even negated, and that the mutual agricultural production

⁶¹ Tao Lujia: *'Chairman Mao supported the founding of agricultural cooperatives in Shanxi'*

⁶² Tao Lujia: *'Chairman Mao supported the founding of agricultural cooperatives in Shanxi'*

organisations should be raised to agricultural production co-operatives as a new factor to 'overcome the spontaneous factor of the peasantry'. This is an erroneous, dangerous and idealistic idea of agrarian socialism. This document of the Shanxi Provincial Committee is an example of such thinking and is issued for the perusal of all comrades in charge."⁶³

Mao Zedong, however, supported the Shaanxi Party Committee's decision and personally formulated the (Draft) Resolution of the CPC Central Committee on Mutual Cooperation in Agricultural Production, and issued the draft to the Party in December, "Please give prompt explanations inside and outside the Party in the spirit of this draft and arrange for its implementation. This is to be done in all areas where the agrarian reform has been completed, and please take it as a major task."⁶⁴

The debate on co-operatives was in fact a concrete manifestation of the struggle between the two lines within the Party: the consolidation of the new democratic order and the transition to socialism. From the point of view of productivity alone, the co-operatives were in fact conducive to the development of the productive forces, as they allowed for the concentration of productive resources, the division of labour and planned accumulation through the socialist nature, and overcame the contradictions of the mutual aid groups.

"When Chairman Mao spoke to Comrade Shaoqi, Comrade Yibo and Comrade Lantao, he said: 'Since in the development of Western capitalism there is a stage of workshop handicrafts, that is, a stage where steam-powered machinery has not yet been adopted and where the division of labour is relied upon to form new productive forces, it is also feasible for Chinese co-operatives to rely on unified management to shake up the private sector.'"⁶⁵

The facts speak for themselves.

"In the first year of its trial run, the primary agricultural cooperative society demonstrated its enormous power in developing agricultural productivity, far exceeding our expectations. In terms of agricultural production, the 10 societies generally increased their yields, with the average yield of grain that year exceeding that of the previous year by 21.5 per cent per mu, surpassing that of the good local mutual aid groups by 9 per cent and that of the good individual households by 28 per cent. In terms of industrial and sideline production, the 10 communes generated a total income of 41.56 million yuan (old currency, same below), with an average of 4.1 million yuan per commune. In terms of member distribution and public accumulation, compared with 1950, the income of member households was converted into grain; compared to 1950, 3.1 per cent of households received less than one stone more, 38.4 per cent received between one stone and five stones more, 26.3 per cent received between five and 10 stones more, and 23.1 per cent received between 10 and 20 stones more, 6.7 per cent received the same amount as the previous year, and 2.7 per cent received less than the previous year; the per capita income of members was 380,180,000 yuan, 320,430,000 yuan for mutual aid groups and 305,000 yuan for individual households. The average income per member was RMB 380,180,000, RMB 320,430,000 for mutual aid groups and RMB 305,000 for individual households. While the livelihood of the members improved, the collective economy grew, with the 10 societies having more than 600 mu of public forests, 31.6 mu of communal land, 177 pieces of farming equipment (including 57 pieces of new farming tools and machinery), 17.5 heads of livestock, 449 sheep, 315.85 stones of grain from the provident fund, and 256.92 stones of grain from other means of production. In 1953 the total grain output of 2242 societies increased by 27.6 per cent

⁶³ Central Documentary Research Office of the Communist Party of China: *The Chronology of Liu Shaoqi*, Vol 2.

⁶⁴ Mao Zedong: *'Take Mutual aid and Cooperation in Agriculture as a Major Task'*, in *Selected Works of Mao Zedong* (vol. 5). Beijing: People's Publishing House, p. 59.

⁶⁵ Tao Lujia: *'Chairman Mao supported the founding of agricultural cooperatives in Shanxi'*

compared to 1952, and the unit yield increased by 21.6 per cent, 21.5 per cent higher than that of mutual aid groups and 39 per cent higher than that of individual households. The province's livestock grew from 1.84 million heads in 1951 to 2.13 million heads in 1954, an annual increase of 10 per cent, including a 15 per cent increase in the number of mules and horses, to meet the needs of primary societies for new horse-drawn farm equipment. In particular, 38 per cent of the 1,276 old societies in the old south-eastern region of Jin had reached or exceeded the production level of the rich middle peasants, which created favourable conditions for the next step in the transition to advanced agricultural production cooperatives."⁶⁶

On the basis of the great achievements of the co-operatives in Shanxi, on 15 February 1953 the Central Committee of the Communist Party of China formally adopted the Resolution on Mutual Co-operation in Agricultural Production, which gave impetus to the development of the mutual co-operation movement in agriculture, and primary agricultural production cooperatives began to be set up on a trial basis throughout the country. At the same time, with the implementation of the First Five-Year Plan, there was a sharp increase in demand for agricultural crops. In 1953, the urban population reached 78.26 million, 6.63 million more than in 1952 and 20.61 million more than in 1949. The incomes of urban dwellers also increased significantly, with consumption levels in 1953 being 15 per cent higher than in 1952. The surge in urban population, coupled with the re-employment of a large number of unemployed people and the marked increase in wages, greatly increased the total amount of social wages and the purchasing power of urban residents. Second, the need for industrial development led to a rapid expansion of cash crop production areas and a shrinking of grain production areas, increasing the number of rural people eating commercial food to 100 million in 1953. Thirdly, the peasants who had improved their income after the land reform increased their food consumption. According to statistics, the per capita consumption of grain in the countryside increased from 370 jin in 1949 to 440 jin in 1952. Chen Yun found during a survey in North China in the fall of 1953 that "in the past, peasants in the mountainous areas ate only one meal of white flour a year, but now they can eat four or five or seven or eight meals a month."⁶⁷ Under such pressure, the unified purchase and sale of grain began to be implemented in December 1953 in parallel with the cooperation.

The advanced agricultural production cooperative was a socialist collective economic organisation, larger than the primary agricultural production cooperative. In December 1953, the Central Committee of the Communist Party of China issued the Resolution on the Development of Agricultural Production Co-operatives, by which time there were already more than 14,000 primary agricultural production co-operatives throughout the country. The resolution summed up the experience of running cooperatives and further indicated that individual peasants should be guided through mutual aid groups, which had the beginnings of socialism, to semi-socialist primary cooperatives, and then to fully socialist advanced cooperatives.

In fact, there are also contradictions in the area of integrated purchasing and marketing.

"We are faced with the difficulty of purchasing and marketing grain from such a large number of individual farmers. The difficulty comes not only from our lack of experience in integrated purchasing and marketing, but also from the fact that it is very difficult to estimate the actual production of such a large number of farmers and to distinguish the surplus from the shortage."⁶⁸

⁶⁶ Tao Lujia: *'Chairman Mao supported the founding of agricultural cooperatives in Shanxi'* (Note by translator: one stone as a unit of measurement of rice was equivalent to 150 pounds or 54.5 kg.)

⁶⁷ See Bo Yibo, *"Review of Some Major Decisions and Events,"* Volume 1, Party School of the Central Committee of the Communist Party of China, 1991 edition, pp. 256-257

⁶⁸ Chen Yun: *Selected Writings of Chen Yun*, vol. 2, p. 277

As a result, the collectivisation of agriculture accelerated considerably under the pressure of industrialisation. The bureaucratic style of commandism and performance-seeking within the Party began to spread, leading to the establishment of cooperatives in many areas too quickly, without taking into account the actual situation and without due persuasion and education of the peasants. In response to this situation, on 31 July 1955, Mao Zedong gave a report on the issue of agricultural co-operatives at a meeting of provincial, municipal and autonomous regional party committee secretaries. The report systematically clarified the necessity and possibility of agricultural co-operatives, pointed out that the development of co-operatives must focus on quality and oppose the blind pursuit of quantity, reiterated the principle of voluntary mutual benefit, and demanded that co-operatives should be planned comprehensively and developed in a planned manner.

Despite the problems of impatience, agricultural production that year was bumper, with a total agricultural output of 57.5 billion yuan, 102.1 per cent of the plan, and 7.6 per cent higher than in 1954. Total grain production was 183.94 million tonnes, 102% of the plan and 8.9% higher than in 1954, while total cotton production was 1.518 million tonnes, 42.6% higher than in 1954. As a result of the good agricultural harvest, the peasant consumption level was 8.6 per cent higher than the previous year. By the end of 1956, 96.3 per cent of the total number of rural households had joined the society, and the collectivisation of agriculture was basically complete. The total output value of agriculture and by-products was 61 billion yuan, an increase of 4.9 per cent over the previous year. Grain production was 192.75 million tons, 4.8% higher than the previous year, while cotton production was 1.445 million tons, 4.8% lower than the previous year.

As can be seen, agricultural cooperativisation was in fact based on practical considerations, both in terms of the development of agricultural productivity, the improvement of contradictions in production relations, the prevention of class division, and the accumulation of funds for industrialisation. Moreover, through the Party's education and guidance, it took into account the principle of the peasants' voluntariness and the principle of distribution according to work, thus greatly increasing productivity and laying the foundation for further mechanisation of rural production. During this process, there were two erroneous tendencies within the Party: one was opposition, not seeing the objective need for the collectivisation of agriculture and rigidly applying dogma, believing that only mechanisation of production could lead to collectivisation; the other was authoritarianism and commandism, not considering the education and enlightenment of the peasants and pushing for collectivisation too quickly for the sake of one's own political achievements. These two erroneous tendencies were both manifestations of bourgeois ideology within the Party. As the socialist transformation deepened, the differences in the Party line intensified and eventually broke out during the Cultural Revolution.

Many people think that the "scissors difference" in the unified purchase and sale of goods is an exploitation of the peasants. In fact, the direction of socialism was to eventually transform all the economy into a national one, with the accumulation of national industrialisation, in the long-term interest of workers and peasants, as the state's power and economy itself belonged to the proletariat. And while industrialisation was being built up, it was always feeding agriculture as much as possible, for example by overhauling water resources, agricultural machinery production, fertiliser production and the seed revolution. Thus, it was not the exploitation of the peasantry. On the contrary, it was the industrialisation of the capitalist countries that forced the peasants out of the means of production through the enclosure movement, which made the proletariat and the peasants suffer in order to carry out the original accumulation.

3. Public-private partnerships and craft co-operatives

With the culmination of agricultural co-operatives, the socialist transformation of handicrafts and capitalist industry and commerce gradually began to take place. The socialist transformation of the cities was in fact twofold. On the one hand, the industrialisation of the state also required the

accumulation of capital from the light industrial enterprises held by the capitalists, but the presence of the capitalists consumed and wasted a great deal of the industrial fund, and the proletariat and peasants had to bear the costs of industrialisation and were exploited by the capitalists. On the other hand, the socialist transformation would have brought industrial construction more into the planning of the state, so that it could have been carried out more scientifically and without the spontaneous and blind investments of the capitalists. The transformation of the craft industry also had the added value of moving towards mechanised and semi-mechanised production through co-operative means, thus increasing productivity. At the same time, a condition favourable to socialist transformation emerged, namely that the state "on the one hand held the raw materials, on the other hand controlled the market, and at the same time lent liquidity to the capitalists, so that the national capitalists could not but accept the transformation."⁶⁹

The transformation of capitalist industry and commerce was carried out by means of joint ventures, which made it possible to absorb managerial talent from the bourgeoisie and reduce conflict, eliminating the bourgeoisie politically while at the same time absorbing capable members of the bourgeoisie to work for the working class. The state paid the former industrialists and businessmen a fixed interest of 5% per annum on their shares of the enterprise's capital, which in practice made their standard of living higher than that of the majority of workers and peasants, even if it was only 5%. Other capitalists were absorbed completely into the system and even into the top echelons, as in Wuhan:

"New posts for the upper bourgeoisie: 1 deputy governor, 1 deputy mayor, 3 deputy directors of provincial bureaus, 1 deputy chairman of a municipal council, 5 deputy directors of municipal councils, 6 provincial or municipal advisers, 4 deputy district chiefs, a total of 21.

New posts for industrial capitalists: 12 members of the board of directors, 14 managers or deputy managers of large companies, 9 heads of departments of large companies, 532 factory directors or deputy factory directors, 282 heads of factory sections, 40 technicians and 1,839 general staff, for a total of 2,728 people.

New posts for commercial capitalists: 6 deputy directors of district commercial bureaux, 17 managers or deputy managers of large companies, 14 heads of departments of large companies, 42 managers or deputy managers of district shops, 1,274 managers or deputy managers of shops, 84 heads of departments of shops, 10 advisers to companies, 24 members of the board of directors, 2 technicians, 2,258 general staff, for a total of 3,731."

By 1956, over 90 per cent of craft workers had joined co-operatives; 99 per cent of private industry and 85 per cent of private commerce had joined co-operatives, thus achieving public-private partnership in all sectors. By this time, China had basically achieved the socialist transformation of agriculture, handicrafts and capitalist industry and commerce. At the same time, the First Five-Year Plan achieved great economic success, with the growth rate of gross domestic product (GDP) increasing by 55.54% in the five years from 1953 to 1957, an annual increase of 9.25%.⁷⁰

3. Gradual deepening of differences over the road to take

1. "Gao-Rao Incident"

As mentioned earlier, after the founding of the country, a bureaucratic group was gradually formed that was detached from the proletarian masses, enjoying much more favorable treatment and even privileges than the masses economically, and some of them were even corrupt; politically, some of

⁶⁹ Mao Zedong: *Collected Works of Mao Zedong*, vol. 8, p. 155.

⁷⁰ See Sun Xuewen, "Mao Zedong's unparalleled merits and the sun and the moon shine together" and the National Bureau of Statistics, *Statistical Yearbook*.

them followed the bourgeois line and opposed the socialist economic and political system and the further reforms that followed; they also served the interests of their own clique and were nepotistic and cronyistic in their own interests, and they did not mobilize the masses and rely on them for social transformation. However, the integration of the party and military bureaucratic groups was not yet complete, and the military bureaucrats "stood aside" due to economic construction, while the party and civilian officials became the dominant group in Chinese politics, which led to a series of political struggles, the first of which was the Gao-Rao Incident.

Since the regions were set up mainly to play a political and military leadership role during the revolutionary period and to play a leadership role in transforming local society during the New Democracy period, the existence of the regions became unnecessary as these tasks were completed. In August 1952, Mao Zedong and the CPC Central Committee decided to transfer the regional secretaries of the Central Bureaux and a group of cadres to the Central Committee to strengthen the leadership of the Central Committee. From August 1952 to early 1953, the main leaders of the Central Bureau were transferred to Beijing one after another. Among them, Deng Xiaoping, First Secretary of the Southwest Bureau of the Central Committee of the Communist Party of China, became the Vice Premier of the Government Affairs Council and Deputy Director of the Financial and Economic Committee of the Government Affairs Council (inaugurated in August 1952); Rao Shushi, the First Secretary of the East China Bureau of the Central Committee of the Communist Party of China, became head of the Organization Department of the Central Committee of the Communist Party of China (inaugurated in April 1953).); Xi Zhongxun, the second secretary of the Northwest Bureau of the CPC Central Committee, was the head of the Propaganda Department of the CPC Central Committee (inaugurated in September 1952); Deng Zihui, the second secretary of the Central South Bureau of the CPC Central Committee, was the head of the Central Rural Work Department (inaugurated in November 1952); the Northeast Bureau of the CPC Central Committee first secretary, Gao Gang, was the chairman of the State Planning Commission (inaugurated in November 1952). As Vice Chairman of the Central People's Government, Vice Chairman of the State Military Commission, member of the Political Bureau of the CPC Central Committee and leader of the Northeast Bureau, Gao Gang became the Chairman of the State Planning Commission, which was on a par with Zhou Enlai's State Council, and had a high and powerful position, far above others. In November 1952, the Central People's Government decided to abolish the military and political committees or people's governments of the major administrative regions and to set up regional administrative committees, and in November 1954, the regions were completely abolished.

At the end of February 1953, Mao Zedong proposed that the Politburo members in Beijing should discuss the restructuring of the offices under the Central Secretariat. Liu Shaoqi quickly came up with a preliminary proposal, and then An Ziwen, deputy head of the Central Organization Department, drafted a list of the members of the Politburo of the Eighth Communist Party Congress. Liu Shaoqi initially came up with a list of the Secretariat: Peng Zhen as secretary of the government party group, Xi Zhongxun in charge of the Cultural Committee, Deng Zichuan in charge of agriculture, An Ziwen in charge of the organization, Liu Lantao in charge of finance and economics, Rao Shushi in charge of industry and youth. The first of these was the North China Bureau cadres who worked in the Central Committee, Peng, An and Liu were all occupying important positions. The new regional secretaries of the Central Committee were not placed in core positions. After the revelation of An Ziwen's private drawing up of the Politburo list, Rao Shushi was transferred from the East China Bureau to the head of the Organization Department of the CPC Central Committee. In mid-July, without the consent of the Central Committee, Rao Shushi launched a struggle against Vice Minister An Ziwen in the Organization Department, accusing An of drafting an untrue report on the struggle against bureaucracy in the Organization Department, saying that the Department was a pool of stagnant water with serious problems and that it should be "shaken up".

Next, at the National Conference on Finance and Economics held from June to August 1953, Mao Zedong proposed a general line for the transitional period, criticizing the idea of "establishing a new

democratic social order" and arguing that the socialist transition should begin now. According to Mao's instructions, the conference centered on reviewing the "new tax system" and criticizing Bo Yibo's "right-leaning" mistakes, and linked them to the disagreement within the Party on the treatment of the urban and rural capitalist economy, which was considered "a reflection of bourgeois ideology in the Party". During the criticism of Bo Yibo, Gao Gang was not the only one became very active, other army cadres also spoke quite sharply. For example, Huang Kecheng criticized Bo Yibo for having circles; Li Xiannian said Bo Yibo was a "Zinoviev"; Tan Zhenlin simply beat the table and called Bo a "Bukharin-type character"; Rao Shushi's speech was also very intense. After the meeting, Bo Yibo's post as Minister of Finance was withdrawn and given to Vice Premier Deng Xiaoping. During the meeting, Lin Biao talked to his old subordinates who visited him, saying, "Now the White Areas Party is in control of the central government and it is very dangerous. The leader of the Central Committee, Chairman Mao is getting old, Shaoqi is no good, only Chairman Gao has been tried and tested." Gao Gang also began to disseminate statements such as "The cadres in the White Area are error-prone and have cliques. Liu Shaoqi was selfish towards cadres, and his use of cadres in North China was emotionally biased. Peng Zhen, Bo Yibo, An Ziwen, Liu Lantao and others have cliques and are partial to cadres." These remarks were very popular among military cadres. The third secretary of the East China Bureau, Tan Zhenlin, known as "Cannon Tan", said to Mao Zedong: "There are two headquarters in the central government, and the headquarters of the White Areas Party controls Party power, political power and financial power; the other is the headquarters headed by Chairman Mao. "

By June 1953, after restructuring, the Central Committee actually formed a pattern in which Liu Shaoqi was in charge of Party affairs, Zhou Enlai was in charge of domestic and foreign affairs, and Gao Gang was in charge of economic planning. In turn, Mao Zedong came up with the idea of dividing the leaders of the Central Committee into first- and second-line. Gao Gang began to actively spread remarks against Liu Shaoqi, "He wants to grab this first line."⁷¹ In a conversation between Gao Gang and Peng Dehuai in November, Gao Gang said, "Liu is the leader of the White Zone, which means that Chairman Mao is only the leader of the Soviet Area and the Red Army, do you think it is still like that? If he puts so-and-so in North China, so-and-so in East China, so-and-so in the Northeast, one day he will usurp the Party and himself replace Chairman Mao." Peng said, "No, with Chairman Mao, no one can usurp the Party." But Gao Gang said, "This is a time and that is a time, is it possible that the words 'a new stage of peace and democracy' are also what the chairman meant?" Peng said, "In that speech, Comrade Shaoqi was 'walking a little fire'." Gao Gang went on to say, "The Tianjin speech was on the side of the capitalists, was it also the Chairman's intention? Was it also 'a little fire'?" Peng did not object again. Later, Gao Gang talked to Lin Biao, Chen Yun, and Deng Xiaoping, inciting comments unfavourable to Liu Shaoqi.

In mid-December 1953, many people, especially Deng Xiaoping and Chen Yun, talked to the Central Committee one after another about Gao Gang's situation. Mao Zedong then sent Chen Yun on behalf of the Central Committee to Shanghai, Hangzhou, Guangzhou, Wuhan and other places where Gao Gang had lobbied, to greet the people in charge and inform them of Gao Gang's conspiracy to split the Party. Mao Zedong especially instructed Chen Yun to convey his words to Lin Biao in Hangzhou: "Do not fall for Gao Gang's trick; if Lin Biao does not change his opinion, I will separate from him and then unite with him when he does." On December 24, Mao presided over an enlarged meeting of the Central Political Bureau attended by 29 people, including Gao Gang and Rao Shushi, to expose the problems of Gao Gang. The Central Politburo unanimously agreed to Mao's proposal to strengthen Party unity and decided to draft the Resolution on Strengthening Party Unity. The meeting decided that since Mao took a leave of absence for a period of time, Liu Shaoqi would preside over the work of the Central Committee on Mao's behalf during the rest period. That night, Mao went south to Hangzhou to rest and preside over the drafting of the Draft Constitution of the

⁷¹ On February 26, 1980, Deng Xiaoping cautioned everyone with the historical lesson of the Gao-Rao incident.

People's Republic of China. The party and civil bureaucratic clique represented by Liu Shaoqi was certainly not soft on Gao Gang.

At the Fourth Plenary Session of the Seventh CPC Central Committee in February 1954, the Resolution on Enhancing Party Unity was adopted, which actually brought out the problem of Gao Gang and clearly pointed out that the nature of the problem was that Gao Gang was a splitter of the Party and an individualist ambitious person. But Liu Shaoqi also made self-criticism and acknowledged the general line of Mao Zedong for the transitional period. The meeting was chaired by Zhou Enlai. Chen Yun spoke to prove that Gao Gang had asked him to be the vice chairman of the Party Central Committee, and Gao Gang was terrified. Finally, Zhou Enlai concluded, "Gao Gang's sins have cancelled out his partial contribution to the revolutionary struggle and proved that his motives for participating in the revolutionary struggle in the past were impure. In him, the personal ambition of the bourgeoisie completely overwhelmed the unwavering loyalty to serve the people that a Communist Party member must have." On August 17, Gao Gang committed suicide by swallowing a large amount of sleeping pills, and from March 21 to 31, 1955, the National Congress of the Communist Party of China was held. Deng Xiaoping gave a report on Gao Gang and Rao Shushi's anti-party alliance. The speakers at the conference unanimously advocated the expulsion of Gao Gang and Rao Shushi from the Party. The conference adopted the "Resolution of the National Congress of the Communist Party of China on the Anti-Party League of Gao Gang and Rao Shushi".⁷²

The Gao-Rao incident was the first conflict between the military bureaucrats and the Party and civilian officials since the founding of the country. Since the military bureaucrats "stood on the side" after the founding of the country, they often sided with the workers and peasants against the Party and civilian officials when promoting a line favourable to the proletariat. However, during the Cultural Revolution, the military gradually realized its own interests and began to stand against the proletariat, and gradually merged with the Party and civilian officials. In fact, they all stood against the proletariat and deviated from the revolutionary line of the proletariat, and the struggle between them was only a question of the distribution of the interests of the bureaucratic groups. It was not that the leading cadres all belonged to the bureaucratic group. Those who had not broken away from the proletariat, who adhered to the revolutionary line of the proletariat, and who continued to promote the revolutionary cause under the dictatorship of the proletariat were still the revolutionary representatives of the proletariat. But those who broke away from the proletariat, deviated from the revolutionary line of the proletariat, and maintained and expanded bureaucratic privileges were the bureaucratic groups, that is, "those in power who followed the bourgeois line". In the Gao Rao incident, Mao Zedong sided with Liu Shaoqi because the differences in line were only beginning to emerge, and it could not be assumed that Liu Shaoqi would "die unrepentant"; and Liu Shaoqi was more capable of economic construction and leading the country than the army bureaucrats; more importantly, Gao Gang's behaviour was actually a small sectarian activity, which was not tolerated by the Party discipline.

In 1955, Hu Feng's fierce political criticism of Zhou Yang and the literary and artistic circles led to his being branded as a Gao-Rao ally. Hu Feng had no direct relationship with Gao-Rao; his struggle with Zhou Yang was a struggle between the bureaucrats in the literary and artistic circles, which ended with the victory of the upper-level bureaucrats in the literary and artistic circles. Some of Hu Feng's criticism touched on the bureaucratization of the literary and artistic world since the founding of the state, but, as in the case of Gao-Rao, this problem was not serious at the time, and the literary and artistic cadres were not yet so unrepentant that such a fierce political critique was clearly a divisive act and therefore not allowed.

2. The rising economic status of workers and social differentiation

⁷² For the whole incident, see "*Qi Benyu's Memoirs*"

The completion of the socialist transformation in 1956 put China on the road to socialism once and for all. In the process, the living standards of workers and peasants rose considerably, and their political status gradually rose. The capitalists were basically eliminated as a class, workers no longer worked for the capitalists, and peasants were no longer exploited by the landlords, but worked in their own factories and farms under universal or collective ownership. The money accumulated was not exploited by the capitalists, but was invested to further build the working class's own state. At the same time, education and health care were becoming more widespread, free health care and education were gradually introduced in both urban and rural areas, and urban workers enjoyed free housing. All this is incomparable to capitalism. Although the quality of life of the people still needed to be improved, it was a huge leap from the foundation of the new China.

However, there were many factors that were not favourable. One was the widening of the wage gap. In 1956, the wage reform was implemented, and the cadres were paid 24 levels from 45 yuan to 594 yuan per month; the technicians were paid 15 levels, and the workers were paid 8 levels from 28 yuan to 104 yuan, and the apprentices were paid 14 yuan, and contract and temporary workers still existed. At the same time, each level had corresponding welfare benefits such as housing, medical care, education, and vouchers. Some bureaucrats also took advantage of some loopholes in the public-private partnership to use their power for personal gain, so that their wages far exceeded the prescribed standards, and some bureaucrats' wages even exceeded seven or eight times their standard wages. Although the distribution of labour was the distribution system in the socialist era, such a large gap was still far from the principles of the Paris Commune, especially since the wages of public officials should not exceed those of workers, nor should they enjoy privileges.

Secondly, there was a professional management structure, a tight hierarchy and a "personal management responsibility system" in the enterprise. The factory manager was responsible only for the economic instructions given by his superiors, and less and less to the factory party branch, which was responsible only for ideological work. In this way, technicians and managers became the controllers of the factory, and workers were subject to strict rules and labour discipline. At the same time, the factories increasingly emphasized material incentives, but this, of course, favoured the skilled workers and the specialized minority.

Third, there was also a great divide between urban and rural areas, and between workers and farmers, not only in economic terms, but also in education and health care. During the First Five-Year Plan, elementary school enrolment grew from 26 million to 64 million, and university enrolment grew from 120,000 to 440,000. Obviously, the entrance exams to secondary schools and universities favoured urban students, especially the children of the privileged classes: the old bourgeoisie, senior party and government cadres, intellectuals, and technicians, whose high-income families at the very least had better learning conditions and resources. At the same time, the universities produced people who became privileged cadres, technicians, and intellectuals.

These social divisions had to be transformed during the socialist period, but this inevitably led to the contradiction between the proletariat and the capitalist faction that gradually formed within the Party, which gradually increased after 1956.

3 Rectification and Anti-Rightism

In order to overcome the problem of bureaucratization within the Party, Mao hoped to solve it by means of internal rectification and external criticism. In this way, he also hoped to establish proletarian democracy. In his address to the Supreme State Council on May 2, 1956, Mao Zedong announced the slogan "A hundred flowers bloom, a hundred schools of thought contend". The "Double Hundred Campaign" officially began. Mao first opened fire on various problems within the Party, criticizing the problems of subjectivism, bureaucracy and sectarianism and praising the great democracy of mobilizing the masses.

"If great democracy is now to be practiced again, I am for it. You are afraid of the masses taking to the streets, I am not, not even if hundreds of thousands should do so. "He who is not afraid of death by a thousand cuts dares to unhorse the emperor." This was a saying of a character in a classical Chinese novel, Wang Hsi-feng, otherwise called Sister Feng. She it was who said this. The great democracy set in motion by the proletariat is directed against class enemies. Enemies of the nation (who are none other than the imperialists and the foreign monopoly capitalists) are class enemies also. Great democracy can be directed against bureaucrats too. I just said that there would still be revolutions ten thousand years from now, so possibly great democracy will have to be practiced then. If some people grow tired of life and so become bureaucratic, if, when meeting the masses, they have not a single kind word for them but only take them to task, and if they don't bother to solve any of the problems the masses may have, they are destined to be overthrown. Now this danger does exist. If you alienate yourself from the masses and fail to solve their problems, the peasants will wield their carrying-poles, the workers will demonstrate in the streets and the students will create disturbances. Whenever such things happen, they must in the first place be taken as good things, and that is how I look at the matter.

Several years ago, an airfield was to be built somewhere in Honan Province, but no proper arrangements were made beforehand for the peasants living there nor any adequate explanations offered them when they were compelled to move out. The peasants of the village affected said, even the birds will make a few squawks if you go poking with your pole at their nest in a tree and try to bring it down. Teng Hsiao-ping, you, too, have a nest, and if I destroyed it, wouldn't you make a few squawks? So the local people set up three lines of defence: the first line was composed of children, the second of women, and the third of able-bodied young men. All who went there to do the surveying were driven away and the peasants won out in the end. Later, when satisfactory explanations were given and arrangements made, they agreed to move and the airfield was built. There are quite a few similar cases. Now there are people who seem to think that, as state power has been won, they can sleep soundly without any worry and play the tyrant at will. The masses will oppose such persons, throw stones at them and strike at them with their hoes, which will, I think, serve them right and will please me immensely. Moreover, sometimes to fight is the only way to solve a problem. The Communist Party needs to learn a lesson. Whenever students and workers take to the streets, you comrades should regard it as a good thing. There were over a hundred students from Chengtu who wanted to come to Peking to present a petition, but those in one train were halted at the Kuangyuan station in Szechuan Province, while those in another train got as far as Loyang but failed to reach Peking. It is my opinion and Premier Chou's too that the students should have been allowed to come to Peking and call on the departments concerned. The workers should be allowed to go on strike and the masses to hold demonstrations. Processions and demonstrations are provided for in our Constitution. In the future when the Constitution is revised, I suggest that the freedom to strike be added, so that the workers shall be allowed to go on strike. This will help resolve the contradictions between the state and the factory director on the one hand and the masses of workers on the other. After all they are nothing but contradictions. The world is full of contradictions. The democratic revolution resolved the set of contradictions with imperialism, feudalism and bureaucrat-capitalism. At present, when the contradictions with national capitalism and small production with respect to ownership have been basically resolved, contradictions in other respects have come to the fore, and new contradictions have arisen. There are several hundred thousand cadres at the level of the county Party committee and above who hold the destiny of the country in their hands. If they fail to do a good job, alienate themselves from the masses and do not live plainly and work hard, the workers, peasants and students will have good reason to disapprove of them. We must watch out lest we foster the bureaucratic style of work and grow into an aristocratic stratum

divorced from the people. The masses will have good reason to remove from office whoever practices bureaucracy, makes no effort to solve their problems, scolds them, tyrannizes over them and never tries to make amends. I say it is fine to remove such fellows, and they ought to be removed.

... We are to carry out a rectification movement next year. Three bad styles are to be rectified: (1) subjectivism, (2) sectarianism and (3) bureaucracy. After the Central Committee has made the decision, a circular will first be issued, in which different items will be listed. For instance, bureaucracy consists of several items, such as failure to make contact with cadres and the masses, failure to go down and find out about the situation below and failure to share weal and woe with the masses, plus corruption, waste and so on. If a circular is issued in the first half of the year, the rectification movement is to begin in the second, with a period of several months in between. Whoever has embezzled public money must confess and return it during that interval, or pay it back later in instalments, or if he cannot possibly manage it even in instalments, he will have to be exempted from repaying it ; each of these three ways is all right. But in any case, he must admit his mistake and of his own accord state the amount taken. This is to provide him, so to speak, with a staircase by which he can come down step by step. This method is also to be adopted in dealing with other mistakes. Rather than meting out "punishment without prior warning", make an announcement beforehand and then start the rectification movement at the specified time--this is a method of applying small democracy. Some say, if this method is adopted, there probably won't be much left to rectify in the second half of the year. That is precisely the end we hope to achieve. Our hope is that by the time the rectification movement formally starts, subjectivism, sectarianism and bureaucracy will have been considerably reduced. In our history the rectification movement has proved to be an effective method. From now on, all problems among the people or inside the Party are to be solved by means of rectification, by means of criticism and self-criticism, and not by force. We are in favour of the method of the "gentle breeze and mild rain", and though it is hardly avoidable that in a few cases things may get a little too rough, the over-all intention is to cure the sickness and save the patient, and truly to achieve this end instead of merely paying lip-service to it. The first principle is to protect a person, and the second one is to criticize him. First, he is to be protected because he is not a counter-revolutionary. This means to start from the desire for unity and, through criticism and self-criticism, arrive at a new unity on a new basis. Within the ranks of the people, if we adopt the method of both protecting and criticizing a person who has made mistakes, we shall win people's hearts, be able to unite the entire people and bring into play all the positive factors among our 600 million people for building socialism."⁷³

On February 27, 1957, Mao Zedong delivered a speech at the eleventh (enlarged) session of the Supreme State Council on "*On the correct handling of contradictions among the people*".

"...Within the ranks of the people, the contradictions among the working people are non-antagonistic, while those between the exploited and the exploiting classes have a non-antagonistic as well as an antagonistic aspect. There have always been contradictions among the people, but they are different in content in each period of the revolution and in the period of building socialism. In the conditions prevailing in China today, the contradictions among the people comprise the contradictions within the working class, the contradictions within the peasantry, the contradictions within the intelligentsia, the contradictions between the working class and the peasantry, the contradictions between the workers and peasants on the one hand and the intellectuals on the other, the contradictions between the

⁷³ Mao Zedong: "*Speech at the Second Plenary Session of the Eighth Central Committee of the Communist Party of China*", Selected Works of Mao Zedong (Vol. 5). Beijing: People's Publishing House, pp. 324-325.

working class and other sections of the working people on the one hand and the national bourgeoisie on the other, the contradictions within the national bourgeoisie, and so on. Our People's Government is one that genuinely represents the people's interests, it is a government that serves the people. Nevertheless, there are still certain contradictions between this government and the people. These include the contradictions between the interests of the state and the interests of the collective on the one hand and the interests of the individual on the other, between democracy and centralism, between the leadership and the led, and the contradictions arising from the bureaucratic style of work of some of the state personnel in their relations with the masses. All these are also contradictions among the people. Generally speaking, the fundamental identity of the people's interests underlies the contradictions among the people.

...In advocating freedom with leadership and democracy under centralized guidance, we in no way mean that coercive measures should be taken to settle ideological questions or questions involving the distinction between right and wrong among the people. All attempts to use administrative orders or coercive measures to settle ideological questions or questions of right and wrong are not only ineffective but harmful.

...Many people seem to think that the use of the democratic method to resolve contradictions among the people is something new. Actually, it is not. Marxists have always held that the cause of the proletariat must depend on the masses of the people and that Communists must use the democratic method of persuasion and education when working among the labouring people and must on no account resort to commandism or coercion. The Chinese Communist Party faithfully adheres to this Marxist-Leninist principle. It has been our consistent view that under the people's democratic dictatorship two different methods, one dictatorial and the other democratic, should be used to resolve the two types of contradictions which differ in nature -- those between ourselves and the enemy and those among the people.

...Letting a hundred flowers blossom and a hundred schools of thought contend is the policy for promoting progress in the arts and sciences and a flourishing socialist culture in our land. Different forms and styles in art should develop freely and different schools in science should contend freely. We think that it is harmful to the growth of art and science if administrative measures are used to impose one particular style of art or school of thought and to ban another. Questions of right and wrong in the arts and science should be settled through free discussion in artistic and scientific circles and through practical work in these fields. They should not be settled in an over-simple manner. A period of trial is often needed to determine whether something is right or wrong. Throughout history at the outset new and correct things often failed to win recognition from the majority of people and had to develop by twists and turns through struggle. Often, correct and good things were first regarded not as fragrant flowers but as poisonous weeds. Copernicus' theory of the solar system and Darwin's theory of evolution were once dismissed as erroneous and had to win out over bitter opposition. Chinese history offers many similar examples. In a socialist society, the conditions for the growth of the new are radically different from and far superior to those in the old society. Nevertheless, it often happens that new, rising forces are held back and sound ideas stifled. Besides even in the absence of their deliberate suppression, the growth of new things may be hindered simply through lack of discernment. It is therefore necessary to be careful about questions of right and wrong in the arts and sciences, to encourage free discussion and avoid hasty conclusions. We believe that such an attitude will help ensure a relatively smooth development of the arts and sciences.

...It will take a fairly long period of time to decide the issue in the ideological struggle between socialism and capitalism in our country. The reason is that the influence of the

bourgeoisie and of the intellectuals who come from the old society, the very influence which constitutes their class ideology, will persist in our country for a long time. If this is not understood at all or is insufficiently understood, the gravest of mistakes will be made and the necessity of waging struggle in the ideological field will be ignored. Ideological struggle differs from other forms of struggle, since the only method used is painstaking reasoning, and not crude coercion. Today, socialism is in an advantageous position in the ideological struggle. The basic power of the state is in the hands of the working people led by the proletariat. The Communist Party is strong and its prestige high. Although there are defects and mistakes in our work, every fair-minded person can see that we are loyal to the people, that we are both determined and able to build up our motherland together with them, and that we have already achieved great successes and will achieve still greater ones. The vast majority of the bourgeoisie and the intellectuals who come from the old society are patriotic and are willing to serve their flourishing socialist motherland; they know they will have nothing to fall back on and their future cannot possibly be bright if they turn away from the socialist cause and from the working people led by the Communist Party.

...What should our policy be towards non-Marxist ideas? As far as unmistakable counter-revolutionaries and saboteurs of the socialist cause are concerned, the matter is easy, we simply deprive them of their freedom of speech. But incorrect ideas among the people are quite a different matter. Will it do to ban such ideas and deny them any opportunity for expression? Certainly not. It is not only futile but very harmful to use crude methods in dealing with ideological questions among the people, with questions about man's mental world. You may ban the expression of wrong ideas, but the ideas will still be there. On the other hand, if correct ideas are pampered in hothouses and never exposed to the elements and immunized against disease, they will not win out against erroneous ones. Therefore, it is only by employing the method of discussion, criticism and reasoning that we can really foster correct ideas and overcome wrong ones, and that we can really settle issues.

It is inevitable that the bourgeoisie and petty bourgeoisie will give expression to their own ideologies. It is inevitable that they will stubbornly assert themselves on political and ideological questions by every possible means. You cannot expect them to do otherwise. We should not use the method of suppression and prevent them from expressing themselves, but should allow them to do so and at the same time argue with them and direct appropriate criticism at them. Undoubtedly, we must criticize wrong ideas of every description. It certainly would not be right to refrain from criticism, look on while wrong ideas spread unchecked and allow them to dominate the field. Mistakes must be criticized and poisonous weeds fought wherever they crop up. However, such criticism should not be dogmatic, and the metaphysical method should not be used, but instead the effort should be made to apply the dialectical method. What is needed is scientific analysis and convincing argument. Dogmatic criticism settles nothing. We are against poisonous weeds of whatever kind, but we must carefully distinguish between what is really a poisonous weed and what is really a fragrant flower. Together with the masses of the people, we must learn to differentiate carefully between the two and use correct methods to fight the poisonous weeds.

At the same time as we criticize dogmatism, we must direct our attention to criticizing revisionism. Revisionism, or Right opportunism, is a bourgeois trend of thought that is even more dangerous than dogmatism. The revisionists, the Right opportunists, pay lip-service to Marxism; they too attack "dogmatism". But what they are really attacking is the quintessence of Marxism. They oppose or distort materialism and dialectics, oppose or try to weaken the people's democratic dictatorship and the leading role of the Communist Party, and oppose or try to weaken socialist transformation and socialist construction. Even after the basic victory of our socialist revolution, there will still be a number of people in our

society who vainly hope to restore the capitalist system and are sure to fight the working class on every front, including the ideological one. And their right-hand men in this struggle are the revisionists.

Literally the two slogans -- let a hundred flowers blossom and let a hundred schools of thought contend -- have no class character; the proletariat can turn them to account, and so can the bourgeoisie or others. Different classes, strata and social groups each have their own views on what are fragrant flowers and what are poisonous weeds. Then, from the point of view of the masses, what should be the criteria today for distinguishing fragrant flowers from poisonous weeds? In their political activities, how should our people judge whether a person's words and deeds are right or wrong? On the basis of the principles of our Constitution, the will of the overwhelming majority of our people and the common political positions which have been proclaimed on various occasions by our political parties, we consider that, broadly speaking, the criteria should be as follows:

- (1) Words and deeds should help to unite, and not divide, the people of all our nationalities.
- (2) They should be beneficial, and not harmful, to socialist transformation and socialist construction.
- (3) They should help to consolidate, and not undermine or weaken, the people's democratic dictatorship.
- (4) They should help to consolidate, and not undermine or weaken, democratic centralism.
- (5) They should help to strengthen, and not shake off or weaken, the leadership of the Communist Party.
- (6) They should be beneficial, and not harmful, to international socialist unity and the unity of the peace-loving people of the world.

Of these six criteria, the most important are the two about the socialist path and the leadership of the Party. These criteria are put forward not to hinder but to foster the free discussion of questions among the people. Those who disapprove these criteria can still state their own views and argue their case. However, so long as the majority of the people have clear-cut criteria to go by, criticism and self-criticism can be conducted along proper lines, and these criteria can be applied to people's words and deeds to determine whether they are right or wrong, whether they are fragrant flowers or poisonous weeds. These are political criteria. Naturally, to judge the validity of scientific theories or assess the aesthetic value of works of art, other relevant criteria are needed. But these six political criteria are applicable to all activities in the arts and sciences. In a socialist country like ours, can there possibly be any useful scientific or artistic activity which runs counter to these political criteria?

...In 1956, small numbers of workers or students in certain places went on strike. The immediate cause of these disturbances was the failure to satisfy some of their demands for material benefits, of which some should and could have been met, while others were out of place or excessive and therefore could not be met for the time being. But a more important cause was bureaucracy on the part of the leadership. In some cases, the responsibility for such bureaucratic mistakes fell on the higher authorities, and those at the lower levels were not to blame. Another cause of these disturbances was lack of ideological and political education among the workers and students. The same year, in some agricultural co-operatives there were also disturbances created by a few of their members, and here too the main causes were bureaucracy on the part of the leadership and lack of educational work among the masses.

It should be admitted that among the masses some are prone to pay attention to immediate, partial and personal interests and do not understand, or do not sufficiently understand, long-range, national and collective interests. Because of lack of political and social experience, quite a number of young people cannot readily see the contrast between the old China and the new, and it is not easy for them thoroughly to comprehend the hardships our people went through in the struggle to free themselves from the oppression of the imperialists and Kuomintang reactionaries, or the long years of hard work needed before a fine socialist society can be established. That is why we must constantly carry on lively and effective political education among the masses and should always tell them the truth about the difficulties that crop up and discuss with them how to surmount these difficulties.

We do not approve of disturbances, because contradictions among the people can be resolved through the method of "unity -- criticism -- unity", while disturbances are bound to cause some losses and are not conducive to the advance of socialism. We believe that the masses of the people support socialism, conscientiously observe discipline and are reasonable, and will certainly not take part in disturbances without cause. But this does not mean that the possibility of disturbances by the masses no longer exists in our country. On this question, we should pay attention to the following. (1) In order to root out the causes of disturbances, we must resolutely overcome bureaucracy, greatly improve ideological and political education, and deal with all contradictions properly. If this is done, generally speaking there will be no disturbances. (2) When disturbances do occur as a result of poor work on our part, then we should guide those involved onto the correct path, use the disturbances as a special means for improving our work and educating the cadres and the masses, and find solutions to those problems which were previously left unsolved. In handling any disturbance, we should take pains and not use over-simple methods, or hastily declare the matter closed. The ringleaders in disturbances should not be summarily expelled, except for those who have committed criminal offences or are active counter-revolutionaries and have to be punished by law. In a large country like ours, there is nothing to get alarmed about if small numbers of people create disturbances; on the contrary, such disturbances will help us get rid of bureaucracy.

There are also a small number of individuals in our society who, flouting the public interest, wilfully break the law and commit crimes. They are apt to take advantage of our policies and distort them, and deliberately put forward unreasonable demands in order to incite the masses, or deliberately spread rumours to create trouble and disrupt public order. We do not propose to let these individuals have their way. On the contrary, proper legal action must be taken against them. Punishing them is the demand of the masses, and it would run counter to the popular will if they were not punished..."⁷⁴

In short, Mao believed that there was a contradiction between the bureaucracy and the people, but it could not be assumed that the bureaucratic group had formed a clear capitalist faction. Of course, there are two directions of voices outside the Party: one is to push the present stage forward, to eliminate all the ills, and to march toward communism; the other is to subvert socialism and restore capitalism. The correct way is to limit the second voice and guide the masses in the first direction. At the same time, there may be voices among the masses that do not care about the long-term and overall interests, and they should be guided, but not forcibly suppressed.

Outside the Party, intellectuals reacted extremely enthusiastically. After hearing Chairman Mao's speech, Zhang Bojun was so excited that he immediately conveyed it in his personal capacity to the

⁷⁴ Mao Zedong, *"On the Correct Handling of Contradictions Among the People,"* People's Daily, June 19, 1957; see Qi Benyu's *Memoirs*, pp. 106-130,

China Democratic League, which also issued a transcript of the speech. Chu Anping was also very excited after seeing the draft of the speech and immediately suggested that the Jiu San Society Central Committee forward it. After listening to Mao Zedong's speech at the Central Propaganda Conference on March 12, Fu Lei even said, "His Marxism has reached the realm of transformation. At the drop of a hat, it all becomes a wonderful meaning, and with a very natural attitude, it invariably penetrates the hearts of the listeners." Undoubtedly, Mao had the enthusiastic support of the intellectuals, just as Fei Xiaotong's article "The Early Spring Weather of the Intellectuals" says: "The Hundred Schools of Contention really struck a chord in the hearts of many intellectuals," and "when the harmonious wind of the Hundred Schools of Contention blew, the positive elements of the intellectuals moved in response".

However, the bureaucratic groups within the Party did not buy it. At the Beijing Municipal Committee's propaganda work conference held on March 25, many cadres expressed concern and doubts about Mao's speech. The Beijing Municipal Party Committee admitted in its report that there had been "no systematic discussion of these guidelines from the Central Committee, and that the Party cadres, including ourselves, had a very poor understanding of the issue and many confused ideas, and that many comrades actually disapproved or did not fully approve of the guidelines." Some people say: "A hundred flowers are released, and when they are released, they must be closed." The Hubei Provincial Committee reported that after Mao's speech was delivered, "some Party cadres were taken aback and doubted whether there were contradictions among the people, saying that 'there is nothing wrong with the world, and nothing to worry about'. It was considered unfair that "bureaucracy in the leadership is mainly responsible for the trouble among the people." The Gansu Provincial Party Committee reported that among senior cadres, most of them "do not understand specific problems, especially those directly related to their own units and themselves. A very small number of people are also very resistant to the idea that "the revolution has not been supervised for decades, but now that the revolution has been won, they have to be supervised, which is really hard to understand." Some even said, "People outside the Party and intellectuals are now more arrogant, and they are not willing to be put down." The report of the Shanxi Provincial Committee was even more specific: it was believed that "there are no good people who make trouble, but good people do not make trouble" and "the main reason for the trouble is not admitted to be due to bureaucracy in the leadership. Individuals even questioned whether "the spirit of Chairman Mao's report was right-leaning" and argued that "Chairman Mao's report had said too much for the democrats, intellectuals, capitalists and past landlords and rich peasants, but too little for the working people." Among the grassroots cadres in the countryside, suspicion, resistance and opposition became more intense. Many people questioned, "Was this report drafted by Chairman Mao, and was it misrepresented?" Some people said, "In the past, I listened to Chairman Mao's instructions on cooperation, and it was imprinted in my heart every day, but today I really can't listen to this report." Most of the cadres strongly resisted and did not agree to convey or implement this report further. Because of the feeling that "the Party gives support to the masses and does not leave face for the cadres", many grassroots Party members and cadres worked negatively, wanted to lie down and quit, and some even proposed to resign from the Party.

Mao Zedong decided to tour the south and work on persuasion in person. From March 17 to early April, Mao went to Tianjin, Shandong, Jiangsu, Shanghai, Zhejiang and other provinces and cities. Everywhere he went, he had to hold symposiums and give speeches to local party members and cadres, going all the way and speaking all the way, and Mao complained that he had "become a lobbyist". But Liu Shaoqi, who was also on a southern tour, did not mention a word about the Double Hundred.⁷⁵

With the propaganda of the central government and several related meetings, the Rectification Movement and the "Double Hundred Movement" were gradually launched. The workers also

⁷⁵ See *The Chronology of Mao Zedong (1956-1959)* and *The Chronology of Liu Shaoqi*.

actively participated in the movement, criticizing the long-time leaders and cadres for their disconnection from the masses, and wrote a large number of large-character posters. For example, "Workers Have Opinions" by Fan Li of Beijing Agricultural Machinery Factory:

No work at the beginning of the month, the leadership cannot see
Management can't keep up, and the plan is a mess
Problematic craftsmanship, inconsistent design
Leaders have bureaucrats, workers have opinions
The problem is not solved and the tug of war becomes a habit
Wasted a lot of money, installed the assembly line
What is the effect, it is better to do it by hand
An order from the section, the workshop must do it
What does he think of the order, said he doesn't count
Parts can't come, workshop can't work
I got blind at the end of the month, and the workshop worked desperately hard
The director general gives the command, the section chief must participate in the war
The section chief paints, the factory manager goes back and forth
The front is loose and the back is tight, and the fifth day at the end of the month
If the party is not rectified, it will be bitter."

From May 8 to June 3, the United Front Work Department of the CPC Central Committee, entrusted by the Central Committee, held a forum for heads of democratic parties in the auditorium of the National Committee of the Chinese People's Political Consultative Conference to solicit opinions on united front work. Prominent democrats from all walks of life gathered here. Their speeches were a concentrated reflection of various opinions outside the Party. Most of these speeches were constructive. The trickle of discontent that had been timidly expressed at the officially organized meetings before this soon became a torrent of social and political criticism at the May and early June meetings. The Central Committee forced the cadres to refrain from suppressing these statements, and the newspapers reported extensively on the critical speeches and statements. There was a great deal of criticism from a socialist direction.

"In the past, when the party led the masses in revolution, it stood among the masses; after liberation, the party's position has changed, not standing among the masses, but standing behind the masses to rule the masses... (The leader's) position is different not his identity. Some people are strongly conscious that they are in office, that is, they want a special place at meals and plays."

One critic asked, "Who are the people who enjoy a high standard of living?" "They are Party members and cadres who used to wear straw sandals, but today ride in cars and dress in Zhongshan suits." In a long letter to Mao Zedong and the Party Central Committee, an old revolutionary concluded that "there is a privileged class, the germ of which is forming and developing even if it has not yet formed a national class." These criticisms were very similar to Mao's criticism of the bureaucratic group within the Party.

The criticism of the excessive economic status of bureaucrats, bureaucratic style, and detachment from the masses was in the direction of socialism, and many of the opinions on science, literary and artistic development, and economic construction were also very constructive. However, there were also many comments and actions that deviated from the direction of socialism and tried to restore capitalism. Some said, "At present, the democratic parties are only politically and legally equal to the Communist Party, but are far from being truly equal in fact, because the conditions for de facto equality do not yet exist and there is no material basis for it. The right to equality is declared, but the democratic party is not entitled to it." Some people said, "If you can be the main character, let him be the main character, otherwise let him run the show or just don't put him on the stage." "There is no need to put those little feet on the stage to dance for the government."⁷⁶ There were people who openly spoke in universities, attacking the Chinese Communist Party, attacking the Party leadership, and inciting students to take to the streets and workers to strike. Such a conflict was no longer an internal conflict between the people but an enemy conflict between us and Mao Zedong, and he fought back.

"The rectification movement in the Communist Party is a struggle between two styles in a single entity. This is true of the Communist Party and also of the people as a whole.

...In recent days the Rightists in the democratic parties and institutions of higher education have shown themselves to be most determined and most rabid. They think the middle elements are on their side and will not follow the lead of the Communist Party, but this is actually a pipe dream. Some of the middle elements are wavering, may swing either left or right and, in the face of the current spate of wild attacks by the Rightists, may want to keep mum and wait and see. To date, the Rightists have yet to reach the climax of their attack, and they are going at it in high spirits...

...The Rightists are trying to seize first a part and then the whole. To begin with, they are out to gain leadership in the press, education, literature and art, and science and technology. They know that in these fields the Communists are not as strong as they are, which is actually the case. They are "national treasures", not to be rubbed the wrong way. The movement against the "three evils", the elimination of counter-revolutionaries and the ideological remoulding in past years -- how outrageous and what impudence! They also know that many college students come from landlord, rich peasant or bourgeois families and believe these people will rise at their call. This likelihood exists for that section of the student body with Right deviationist ideas. But to assume it is true of most students is sheer fantasy. There are also indications that the Rightists in press circles are instigating the worker and peasant masses to oppose the government.

...The number of Rightists set above at 1, 3, 5 and up to 10 per cent is only an estimate, and it may turn out to be larger or smaller. Moreover, conditions vary in different units, and it is therefore essential to have conclusive evidence, adopt an objective approach and avoid excesses, for excesses are a mistake.

The bourgeoisie and many of the intellectuals who formerly served the old society are invariably stubborn in asserting themselves, invariably yearn for that old world of theirs and invariably find themselves somewhat out of their element in the new. It will take quite a long time to remould them, and in the process crude methods should not be used. On the other hand, we must take into account the fact that, compared with the early days of liberation, most of them have made considerable progress, and their criticisms of our work are mostly correct and must be accepted. Only some of the criticisms are wrong, and in such cases matters should be clarified. It is in order for them to ask to be trusted and given authority commensurate with their positions; they must be trusted and given authority and

⁷⁶ *People's Daily*, May 14, 1957.

responsibility. Some of the criticisms made even by the Rightists are correct and should not be categorically rejected. Their criticisms, wherever correct, should be accepted.

...The current criticism and rectification movement has been launched by the Communist Party. As we expected and hoped, poisonous weeds have been growing side by side with fragrant flowers and ghosts and monsters appearing together with the unicorn and phoenix. Anyway, good things outnumber bad. Some say we are trying to catch big fish, and we say we are digging up poisonous weeds, which are only different ways of saying the same thing.

...Are you going to "fix" people with a vengeance? It depends on how the Rightist gentlemen behave themselves. Poisonous weeds are to be uprooted, and this means uprooting the ideological poisonous weeds. To "fix" people is another matter. No one will be "fixed" unless he "grossly violates the law". Then what is meant by "gross violation of the law"? It means serious damage to the interests of the state and the people as a result of the evil-doer's wilful actions despite repeated warnings. As for people who commit ordinary errors, there is all the more reason to apply the principle of curing the sickness to save the patient. This is the proper distinction to be observed both inside and outside the Party. To "fix" also means to cure the sickness to save the patient."⁷⁷

It can be seen that Mao Zedong acknowledged the correct direction in his criticism. He criticized speeches and actions that attempted to subvert socialism, and demanded careful judgment, not serious violations of laws and disciplines. Beginning on May 21, the Secretariat of the Central Committee held a meeting to arrange tasks in full swing, study the views of the rightists, and prepare to counterattack. On June 6, Mao Zedong drafted the "Instructions on Stepping Up the Rectification Movement". On June 8, the People's Daily published an editorial "Why is this?", published editorials one after another, refuting various wrong views that appeared during the "Double Hundred" period, and also emphasized the need to use class struggle to deal with those enemies who exposed themselves in the movement. On the same day, Mao Zedong drafted the "Instructions of the Central Committee of the Communist Party of China on Organizing Forces to Counter Rightist Attacks", and the anti-rightist movement against the bourgeois elements exposed in the "Double Hundred Movement" officially began.

The anti-rightist struggle was enthusiastically supported by the vast majority of cadres and the masses of workers and peasants.

"The rightist offensive aroused the righteous indignation of workers, peasants, intellectuals and cadres in general. When the rightist offensive was rampant, Internal Reference also responded to the discontent of the workers, peasants, intellectuals and cadres at large: Why do you want them to be so nonsensical? Why do you let them attack so furiously? When the editorial "Why is this?" in the People's Daily came out on June 8, workers, peasants, intellectuals and cadres in general were encouraged."⁷⁸

Of course, since there were two directions of speech in the "Double Hundred Movement", there were also two directions of opposition to the "rightists". The proletariat and its political representatives opposed statements and actions that attacked socialism, while the bureaucratic group opposed all statements that undermined bureaucratic rule and interests, which included false statements that attacked socialism and correct statements that criticized bureaucracy.

According to Mao's assumption, after the rampant attacks of the rightists were repelled, the rectification could continue. Therefore, Mao did not initially think of stopping the Rectification Wind

⁷⁷ Mao Zedong: "Things are Beginning to Change", Selected Works of Mao Zedong (vol. 5), Beijing: People's Publishing House. pp. 423-429

⁷⁸ "Deng Liqun: Speeches on Class and Class Struggle in the Socialist Period 1-7"

and carrying out a large-scale anti-rightist struggle, but wanted to keep the anti-rightist struggle within a smaller scope. He said:

"The stage of freely airing views (carrying out reform at the same time), the stage of counter-attack on the Rightists (carrying out reform at the same time), the stage of putting the emphasis on reform (with a further free airing of views) and the stage in which everyone studies relevant documents and makes criticism and self-criticism to raise his own political consciousness--these are the four indispensable stages of the rectification movement at the central, the provincial and municipal, the prefectural and the county levels."⁷⁹

On June 29, the Central Committee issued the "Instruction on Enlisting and Uniting the Middle Elements" in an attempt to further control the scope of the anti-rightist struggle. The instruction was that those who merely spoke of rightism but did not act as rightists should not be rashly labeled as rightists. "The number of rightists and extreme rightists, among the thirty-four schools of higher education and dozens of organs in Beijing, who need to be named in various circles, is about four hundred, and about four thousand throughout the country, so you should line up so that you have a number in mind."

By July 9, Mao's estimate of the number of rightists to be named had changed from 4,000 to 8,000.⁸⁰ In late August, while revising the United Front Work Department's opinion on a comprehensive rectification campaign in the industrial and commercial sector, Mao pointed out that "there are about 100,000 rightists in the country, mostly intellectuals, some of whom are useful people and should be vigorously fought over."⁸¹ Of course, this figure of 100,000 was based on the national report on the anti-rightist movement, which had actually been expanded by the bureaucrats, and referred to the rightists throughout the country, not the rightists who needed to be named.

However, the bureaucratic group refused to give up, and from September 20 to October 9, the Third Plenary Session of the Eighth Central Committee was held, at which Deng Xiaoping made a report on the Rectification Campaign. The report emphasized that the anti-rightist struggle should continue to be carried out in depth and should not be ended hastily; it summarized the anti-rightist struggle since May and made plans for the future anti-rightist struggle, and criticized the "warmongering" in the anti-rightist struggle. By the time the Third Plenary Session of the Eighth Central Committee was held on September 20, more than 60,000 people had been classified as rightists nationwide. In order to solve the problem of the arbitrary classification of rightists in the previous period, the Central Committee issued a circular on October 15 concerning the criteria for classifying rightists. The circular set out certain criteria for classifying or not classifying rightists: "People who have had ideas similar to those of rightists, but have not published or spread them, and who have already considered them wrong and reviewed them automatically, or people who have spoken words similar to those of rightists by chance and have now admitted their mistakes, and who have never been anti-Party or anti-socialist in their history, should not be classified as rightists."

As the situation developed, "some units also set specific numerical targets for rightist classification." In order to show that they were following the central government, the officials below, in the course of implementation, "broke through the indicators from above in some units below".⁸² When Yuxi's Anti-Rightist Group was formed, the target was set at 3 percent, but later it was set at 4-5 percent, at a time when anti-Rightist targets in other places had reached 15 or even 20 percent. Chu Shijian, who was the leader of the Yuxi Anti-Rightist Working Group at the time, did not even complete the 5% target. "Such numbers always felt wrong in my heart. I had nothing to say about being a rightist,

⁷⁹ Mao Zedong, "The Situation in the Summer of 1957", in Mao Zedong's Selected Works (vol. 5), Beijing: People's Publishing House. p. 465.

⁸⁰ *The Chronology of Mao Zedong (1956-1959)*, p. 189

⁸¹ *The Chronology of Mao Zedong (1956-1959)*, p. 198

⁸² "The History of the Communist Party of China" Vol. 2, p. 435.

saying that I was against the Communist Party, but I always felt that I couldn't get over it. As a result, they said that I was soft, which means that you are a rightist. If I couldn't continue with it, I ended up being turned into a rightist myself."⁸³ At that time, the central government set the target for rightists at about five percent, but cadres everywhere were willing to catch a few more, and no one wanted to be bound by the "five percent". For example, Ke Qingshi, secretary of the Shanghai Municipal Party Committee, said in the Report of the Second Session of the First CPC Shanghai Committee on December 25, 1957, "Among the 600-odd teachers at Fudan University, rightists accounted for only 8.5%." In contrast, in the institutions of higher learning in Jilin Province, by early July 1957, 7-15% of the faculty members above the rank of lecturer had already been designated as rightists.⁸⁴ Under such circumstances, the anti-rightist struggle expanded rapidly. By the end of the summer of 1958, a total of 550,000 rightists had been designated nationwide.

In addition to the bureaucrats, many senior intellectuals, such as Guo Moruo, Mao Dun, Ma Yinchu, Ba Jin, Ye Shengtao, Lao She, Zhou Jianren, Xu Guangping, Xu Deheng, Zhu Guangqian, Wang Yanan, Li Da, Yu Pingbo, Wu Han, Qin Mu, Jian Bozan, and others actively participated in the anti-rightist movement and published critical articles in the People's Daily, partly because they had already merged with the Party and civilian officials.

It can be seen that the representatives of the proletariat, represented by Mao Zedong, and the masses of workers and peasants, opposed reactionary intellectuals who attacked the socialist system. The party bureaucrats on the one hand fought against these people, and on the other hand fought against those who criticized the socialist direction, while the grassroots bureaucrats also had the demand to accomplish their tasks and achieve political results. In such a situation, the range of intellectuals being attacked was greatly expanded. Most of the people classified as rightists could hardly be considered rightists according to the aforementioned "Criteria for Classifying Rightists". Some people were classified as rightists because they had a vague ideological understanding; some were classified as rightists because the unit leaders found all kinds of far-fetched reasons to fulfill their targets; and some were classified as rightists because they expressed some sharp opinions to the leaders during the rectification period and were retaliated against during the anti-rightist period. But there were not many rightists who really wanted to overthrow the socialist system. This is the so-called "expansion of the anti-right" problem, and today they blame Mao Zedong for these problems, which is a complete distortion of history.

In October 1957, Comrade Mao Zedong delivered a speech at the thirteenth session of the Supreme State Council, entitled "Have Firm Faith in the Majority of the People".

"A form has now been found for the rectification movement, namely, speaking out freely, airing views fully, holding great debates and writing big-character posters. It is a new form created by the masses which is different from other forms employed by our Party in the past... There are chiefly two fears when it comes to speaking out freely, airing views fully, holding great debates and writing big-character posters. One is fear of disorder. Are you afraid of disorder? I think many are. The other is fear of not being able to get out of one's predicament. Those who serve as factory or co-operative directors, college heads or Party committee secretaries are all afraid that they won't be able to extricate themselves once views are aired or fires lit. It is easy now to convince people not to be afraid, but it was rather difficult in May. In Peking's thirty-four institutions of higher education the free airing of views was not allowed until after many meetings had been held. Why is there no need for fear? Why is the airing of views to our advantage? Which is to our advantage -- airing views in a big way, or in a small way, or not at all? No airing of views is not to our advantage and airing views in a small way can solve no problems, therefore views must be aired in a big

⁸³ "Chu Shijian's Virtue and Ability".

⁸⁴ *The Years of Tortuous Development*, published by Henan People's Publishing House, p. 60

way. First, this will not bring on disorder and, second, it will not make extricating oneself impossible."⁸⁵

The line of mobilizing the masses to criticize the problems within the Party is fully affirmed here. But as socialist construction deepened, the line within the Party became increasingly divided. On the one hand, there were the representatives of the proletariat who wanted to continue the revolution under the dictatorship of the proletariat, while on the other hand, there were the party bureaucrats who, as socialist construction proceeded, were retreating more and more to the bourgeois line. The "Double Hundred Campaign", which eventually overcame the bureaucratisation of the Party, did not achieve the desired effect due to the interference of the rightists and the backlash of the Party bureaucrats, which also foreshadowed that the only way to resolve this contradiction was to break out into more intense line struggles.

4. Criticism of the Study of *Dream of the Red Chamber* and Criticism of Hu Shih

In 1952, Yu Pingbo published his 1923 book, *The Dream of the Red Chamber*, with additions, revisions, and a new title, *Studies in the Dream of the Red Chamber*. The young critics Li Xifan and Lan Ling criticized Yu Pingbo's views and research methods in their articles "*On and Beyond*", arguing that:

"Mr. Yu Pingbo fails to explore the distinctive anti-feudal tendencies of *Dream of the Red Chamber* from the principle of realism, but is confused by individual chapters of the work and the author's attitude toward certain issues, so he can only draw ambiguous conclusions. Mr. Yu Pingbo not only denies the distinctive political tendencies of *Dream of the Red Chamber*, but also denies that it is a realistic work. Mr. Yu Pingbo's idealistic views are more evident when he comes into contact with the issue of the traditionality of *Dream of the Red Chamber*."

However, some people refused to publish criticism of Yu Pingbo on the grounds that he was an authority on the study of *Dream of the Red Chamber*, and the article was finally published in Shandong University's Literature, History and Philosophy (No. 9, 1954). After Mao Zedong learned about it, he asked for it to be published in the most authoritative literary newspaper. However, the editor-in-chief, Feng Xuefeng, wrote an extremely ambiguous note when he reprinted the article. Mao Zedong was furious at this situation, and on October 16, 1954, Mao said in a letter:

"The first serious fire in more than thirty years against the false views of the so-called authoritative writers on the study of the *Dream of the Red Chamber*. It looks like this fight against Hu Shih's bourgeois idealism, which has poisoned the youth in the field of classical literature for more than thirty years, may be launched. It is the work of two 'little people', often unnoticed and often obstructed by the 'big people', who speak of a united front with the bourgeois writers on idealism and are willing captives of the bourgeoisie."

Soon, the People's Daily, at the behest of Mao Zedong, published Yuan Shuipai's article "*The Valuable First Shot*". The fierce criticism against Hu Shih began. Led by Guo Moruo and Zhou Yang, a large number of scholars devoted themselves to the criticism of Hu Shih, and the *Critique of Hu Shih's Thought*, published in 1955, ran to two million words. However, such a critique was still limited to the scope of academic criticism, that is, the "ideological problem" and the struggle in the ideological field. Yu Pingbo was not punished because he admitted his mistakes, and his edition of *Dream of the Red Chamber* was continued.

Bourgeois research tends to fall into idealism, selling its talents through idealism while promoting a bourgeois worldview and values, often through a tediously wordy approach. In fact, scientific

⁸⁵ Mao Zedong: "*Have Firm Faith in the Majority of the People*," Selected Works of Mao Zedong (vol. 5), Beijing: People's Publishing House. pp. 480-481.

research, especially social and humanistic research, does not exist independently of society, but is often distinctly class-oriented. The proletariat uses a scientific worldview and method to understand the world for liberation, while the bourgeoisie uses a metaphysical and idealistic worldview and method for social and humanistic research in order to conceal exploitation and oppression and the inevitable demise of the old world, which is actually a bourgeois ideology. Criticism of such ideology is necessary for both the proletarian revolution and the continuation of the revolution under the dictatorship of the proletariat, and ideological struggle is a means of struggle between the proletariat and the bourgeoisie, along with political and economic struggle. The ideological struggle, along with the political and economic struggle, is a means of fighting the bourgeoisie. Therefore, the research method of idealism must be criticised.

This incident further revealed that the bureaucratic style of authority in the field of culture still existed after the founding of the country, and even tended to intensify. An ordinary researcher cannot criticize a "great man," no matter how correct his views are, but this is in fact the cultural line of the bourgeoisie through and through. The socialist cultural line is to allow all scientific research and literary works that are in line with the socialist direction to be published freely, and not to be withheld because of opposition to authority. Moreover, in order to reduce the impact on intellectuals personally, Mao deliberately directed his criticism at Hu Shih in Taiwan, which was entirely out of concern for the protection of intellectuals and reflected the principle of "being strict in ideological struggle and lenient in organizational treatment".

5. Stalin's death and the secret report to the 20th Congress of the Communist Party of the Soviet Union

On March 5, 1953, at a time when the cause of socialism was flourishing all over the world, Comrade Stalin, the great teacher of the world communist movement, the outstanding proletarian revolutionary and the great leader of the Soviet people, passed away. Chairman Mao gave Comrade Stalin the highest praise.

"Stalin's mistakes should be criticized. However, the secret report of Comrade Khrushchev at the 20th Congress of the Communist Party of the Soviet Union, which totally rejected Stalin, vilified the dictatorship of the proletariat, the socialist system, the great Communist Party of the Soviet Union, the great Soviet Union, and the international communist movement. Instead of applying the method of criticism and self-criticism of the revolutionary proletarian parties and seriously analyzing and summarizing the historical experience of the dictatorship of the proletariat, he treated Stalin in the same way as he treated his enemies and put all the mistakes on Stalin alone."⁸⁶

Stalin fought alongside Lenin and others in the Russian Revolution and led the Georgian people to overthrow the Tsarist government. He led the people of the Soviet Union through socialist reform and the political economy of the socialist period at a time when the Soviet economy had largely returned to normal development and the division between rich and poor was increasing. Although the disruption of World War II did not give him time in his lifetime to fully understand the contradictions of socialism and the continuing revolution, he still tried to solve the problem of bureaucratization before the war and curbed the tendency of the Soviet Communist Party toward revisionism through party consolidation. The Soviet Union under his leadership assisted the proletarian revolution and socialist construction in various countries and led the world people to resist imperialist oppression. Thus, his position as a mentor of the world proletarian revolution cannot be denied.

However, after his death, the revisionists, imperialists and Trotskyists united to slander and defame him, to erase his achievements, to magnify his mistakes, and even to impose "trumped-up" charges.

⁸⁶ Mao Zedong: *The Greatest Friendship*, Long Live Mao Zedong Thought (49-57), March 9, 1953.

The revisionist groups in the Soviet Union also frantically encroached on the people's power, interfered with and even exploited and oppressed the Third World countries, eventually causing the collapse of the Soviet Union and the restoration of capitalism. All this began when Khrushchev came to power.

On February 14, 1956, the 20th Congress of the Communist Party of the Soviet Union was held, and on the evening of the 24th Congress, Khrushchev made a secret report entitled "On the Cult of the Individual and its Consequences".

"Stalin's mistakes should be criticized. However, the secret report of Comrade Khrushchev at the 20th Congress of the Communist Party of the Soviet Union, which totally rejected Stalin, vilified the dictatorship of the proletariat, the socialist system, the great Communist Party of the Soviet Union, the great Soviet Union, and the international communist movement. Instead of applying the method of criticism and self-criticism of the revolutionary proletarian parties and seriously analyzing and summarizing the historical experience of the dictatorship of the proletariat, he treated Stalin in the same way as he treated his enemies and put all the mistakes on Stalin alone.

In his secret report, Khrushchev fabricated a large number of lies, used vicious and inflammatory statements, attacked Stalin as a 'persecution maniac', 'harsh and arbitrary', 'went on the road of mass persecution, on the road of terror', 'studying the domestic situation and agriculture only from films', 'planning the war according to the globe', Stalin's leadership 'became a serious obstacle on the road to the development of Soviet society', etc. He simply denied the merits of Stalin's leadership of the Soviet people in their resolute struggle against all domestic and foreign enemies, in their great achievements in socialist transformation and socialist construction, in their leadership of the Soviet people in defending and consolidating the first socialist state in the world, in their great victory in the war against fascism, and in their defense and development of Marxism-Leninism.

Khrushchev's total rejection of Stalin at the 20th Congress of the Communist Party of the Soviet Union was in essence a rejection of the dictatorship of the proletariat and of the basic principles of Marxism-Leninism as defended and developed by Stalin. It was at this congress that Khrushchev began to turn his back on Marxism-Leninism on a series of principle issues in his concluding report.

In his concluding report to the 20th Congress of the Communist Party of the Soviet Union, Khrushchev put forward the argument of the so-called 'peaceful transition' on the pretext that the world situation had 'fundamentally changed'. He said that the path of the October Revolution was the 'only correct path' 'under the historical conditions of the time', and that now the situation had changed and it was possible to make the transition from capitalism to socialism 'by means of the parliamentary path'. This erroneous argument is in essence an open revision of the Marxist-Leninist doctrine of the state and revolution, and an open denial of the universal significance of the road of the October Revolution.

..... Khrushchev saw the U.S. government and its head as a man of resistance to the forces of war, not as a representative of the imperialist forces of war. He said, 'Those who advocate a warlike solution of the outstanding problems in the United States still occupy a strong position, and they continue to exert enormous pressure on the president and the government.' He also said that the imperialists were beginning to recognize that the policy of the position of strength was bankrupt and that there were 'signs of some sobriety' among them. This means that the U.S. government and its head can no longer represent the interests of the U.S. monopoly bourgeoisie and can abandon the policy of aggression and war and instead maintain the forces of peace.

Khrushchev declared, 'We wish to cooperate amicably with the United States in the struggle for peace and the security of peoples, as well as in economic and cultural matters'. It was this erroneous view that later developed into the line of "Soviet-American cooperation in solving the world's problems".

Khrushchev distorted Lenin's correct principle of peaceful coexistence among countries with different social systems and proposed peaceful coexistence as the 'general line of foreign policy' of the Soviet Union. This is to exclude from the general line of the foreign policy of the socialist countries the mutual assistance and cooperation among them and their support for the revolutionary struggles of the oppressed peoples and oppressed nations, or to subordinate all this to their so-called 'peaceful coexistence' policy.

..... The leadership of the Communist Party of the Soviet Union, without consulting the fraternal parties in advance, arbitrarily draws conclusions, forces the fraternal parties to accept a fait accompli, and uses the so-called 'opposition to personal superstition' as a pretext to violently interfere in the internal affairs of fraternal parties and countries, to subvert their leadership, and pursue their own sectarian and separatist policies in the international communist movement."⁸⁷

Recognizing the seriousness of the problem, the CPC Central Committee headed by Mao Zedong convened a meeting of the Central Committee on the evening of March 17, two enlarged meetings of the Politburo on the 19th and 24th, and a meeting of the Central Secretariat on April 4 to discuss the secret report. On April 5, the CPC published an article entitled "*On the Historical Experience of the Dictatorship of the Proletariat*", which systematically expressed the views of the CPC. "It fully affirmed the main correct aspects of the Soviet Union, the Communist Party of the Soviet Union and Stalin, and also criticized their secondary wrong aspects, adhering to the principled position of Marxism-Leninism. The voice of the Chinese Communist Party was widely appreciated by international public opinion and had a profound impact. The article was reproduced in the Soviet newspaper Pravda."⁸⁸ The article gave full recognition to Stalin's historical achievements and, in the midst of the international outcry against him, gave a fair assessment of Stalin.

"After Lenin's death, Stalin, as the main leader of the Party and the state, creatively applied and developed Marxism-Leninism; he expressed the will of the people in the struggle to defend the Leninist legacy against the enemies of Leninism - Trotskyists, Zinovievists and other agents of the bourgeoisie - and was an outstanding Marxist-Leninist. He was an outstanding Marxist-Leninist fighter. Stalin won the support of the Soviet people and played an important role in history, first of all because he, together with the other leaders of the Soviet Communist Party, defended Lenin's line of industrialization and collectivization of agriculture in the Soviet state. The implementation of this line by the Communist Party of the Soviet Union led to the victory of the socialist system in the Soviet Union and created the conditions for the victory of the Soviet Union in the war against Hitler, which was in line with the interests of the working class and all progressive humanity throughout the world. It is therefore natural that the name Stalin should at the same time enjoy a high honor in the world."

Since then, the leaders of the CCP have been expressing their disagreement on various occasions on the basis of maintaining Sino-Soviet unity. The secret report of the Soviet Communist Party caused confusion in the world socialist camp, and imperialists, Tito revisionists and Trotskyists took the

⁸⁷Editorial Department of the People's Daily and Editorial Department of the Red Flag Magazine: "*The Origin and Development of the Differences between the Soviet Leadership and Us: A Review of the Open Letter of the Central Committee of the Communist Party of the Soviet Union*" (A Review of the Communist Party of the Soviet Union), September 6, 1963

⁸⁸ Wu Lengxi: *Ten Years of Debate, Chapter 1*

opportunity to attack Soviet socialism, as well as the Soviet-Polish relations and the Hungarian rebellion. On October 30 and November 1, 1956, the Soviet Union and China issued declarations and statements expressing solidarity and friendship.

On November 2, 1957, Chairman Mao sent a delegation of the Chinese Communist Party to Moscow to attend a conference of delegates of the Communist and Workers' Parties of various countries. Finally, the Congress issued a declaration.

"Through the joint efforts of the Chinese Communist Party delegation and the delegations of other fraternal parties, the 1957 Manifesto also corrected the erroneous views on imperialism, war and peace put forward by the leaders of the Communist Party of the Soviet Union at the 20th Congress of the Communist Party of the Soviet Union, and added or supplemented many important points on a series of principles. Among them are the following: U.S. imperialism is the center of reactionary forces all over the world and the most vicious enemy of the masses; imperialism is doomed if it starts a world war; the common laws of socialist revolution and socialist construction; the principle of combining the universal truths of Marxism-Leninism with the concrete practice of revolution and construction in each country; the importance of applying dialectical materialism in practical work; the acquisition of political power by the working class The question of who wins and who loses between capitalism and socialism will take a long time to resolve; the existence of bourgeois influence is the domestic root of revisionism, and submission to imperialist pressure is the foreign root of revisionism, etc."⁸⁹

Despite the CCP's efforts, the Soviet Union subsequently continued to move further and further down the revisionist road, and Sino-Soviet relations gradually broke down.

⁸⁹ Editorial Department of the People's Daily and Editorial Department of the Red Flag Magazine: "*The Origin and Development of the Differences between the Soviet Leadership and Us: A Review of the Open Letter of the Central Committee of the Communist Party of the Soviet Union*" (A Review of the Communist Party of the Soviet Union), September 6, 1963

Section 3: The Great Leap Forward of the People's Commune, Bureaucracy Causes Tragedy

I. Socialism

In 1957, China established a socialist political and economic system, but this did not mean that the struggle between the proletariat and the bourgeoisie was over; the victory of communism and the demise of capitalism did not happen overnight, and socialism was actually a transitional period between capitalism and communism.

" Theoretically, there can be no doubt that between capitalism and communism there lies a definite transition period which must combine the features and properties of both these forms of social economy. This transition period has to be a period of struggle between dying capitalism and nascent communism—or, in other words, between capitalism which has been defeated but not destroyed and communism which has been born but is still very feeble."⁹⁰

"What we have to deal with here is a communist society, not as it has *developed* on its own foundations, but, on the contrary, just as it *emerges* from capitalist society; which is thus in every respect, economically, morally and intellectually, still stamped with the birthmarks of the old society from whose womb it emerges."⁹¹

At this stage, the primary task was "to raise the proletariat to the ruling class and to fight for democracy."⁹² By democracy here, we mean, of course, the democracy of the proletariat, but also the dictatorship of the bourgeoisie. It can also be said that the primary essence of socialism is the dictatorship of the proletariat, the leadership of the "proletariat organized as a ruling class" in all fields of economy, politics and culture. Under the dictatorship of the proletariat, "the proletariat will use its political rule to seize, step by step, all the capital of the bourgeoisie, to concentrate all the instruments of production in the hands of the state, the proletariat organized as a ruling class, and to increase the total volume of productive forces as rapidly as possible."⁹³ This means establishing the economic basis of communism, developing the productive forces, transforming the public sector, implementing a planned economy, and realizing the leadership of the proletariat over economic production. These tasks were basically accomplished in our country by the end of 1956.

However, there are still many tasks that need to be accomplished in order to move forward to communism. Economically, there were two systems of ownership, namely, ownership by the whole people and collective ownership. This was the ownership system adopted according to the actual situation of the productive forces at that time. In the absence of socialized production in all fields, the system of ownership by the whole people often needed to be supplemented by collective ownership and the individual economy, and "in the short term, there will be no basic change in the situation in which ownership by the whole people and collective ownership co-exist. So long as we still have these two kinds of ownership, commodity production, exchange through money and distribution according to work are inevitable."⁹⁴ Although the collective economy and commodity production are socialist, they recognize individual or collective appropriation of products and means of production, and the exchange of commodities is itself an expression of the capitalist principle of exchange of equivalents, with elements of private ownership, a residue of bourgeois right.

⁹⁰ Lenin: "*Economics and Politics in the Era of the Dictatorship of the Proletariat*," Lenin's Selected Works (vol. 4). Beijing: People's Publishing House, p. 59.

⁹¹ Marx: "*Critique of the Gotha Programme*," Marx Engels' Collected Works (vol. 3). Beijing: People's Publishing House. 434 pp.

⁹² Marx, Engels: *The Communist Manifesto*, Collected Works of Marx and Engels (vol. 2). Beijing: People's Publishing House, p. 52.

⁹³ Marx, Engels, *The Communist Manifesto*, Collected Works of Marx and Engels (vol. 2). Beijing: People's Publishing House, p. 52.

⁹⁴ Zhang Chunqiao, "On Exercising All-round Dictatorship over the Bourgeoisie," Red Flag Magazine, No. 4, 1975

Moreover, commodity production and circulation are the conditions and driving force behind the creation of capital, and "the initial transformation of money into capital is in full conformity with the economic laws of commodity production and the resulting ownership."⁹⁵ Commodity production also exacerbates the notion of private ownership and the pursuit of profit; indeed, the emergence of commodity production is an important contributing factor to the disintegration of communal ownership in the rural communes of primitive societies. In a communist society, with socialized mass production in every sphere and place, ownership by the whole people would replace all other ownership, and commodities and money would cease to exist.

Thus, although we recognize that collective ownership and commodity production will inevitably exist in socialist society, socialism itself is not our final goal, it is a stage of transition to communism, and it is inevitable that many of the things that will necessarily exist in this stage will have a capitalist character. On the one hand, we must promote the development of the productive forces and create the basis for their elimination; on the other hand, we must recognize the capitalist nature of these things and their potential to cause the restoration of capitalism, and criticize and limit them, keeping an eye on their development.

Under the socialist system, mental and mental differences still exist, as well as differences in human work skills, and there are still remnants of capitalism in people's minds, so the distribution of labour must also exist. The distribution according to labour, that is, "the individual producer, receives back from society - after making all deductions - exactly what he has given to society,"⁹⁶ is a form of equal distribution. But "*equal right* here is still – in principle - *bourgeois right*, although principle and practice are no longer at loggerheads."⁹⁷ For it is in fact the true realization of the idea of equal exchange of goods in capitalist society, from the capitalist relations of production. "In spite of this progress, this ability to work is a natural privilege. So in its content it is, like all rights, an unequal right."⁹⁸ This system of distribution, "is an unequal right for unequal labour. It recognizes no class differences, because everyone is only a worker like everyone else; but it tacitly recognizes unequal individual endowment, and thus productive capacity, as a natural privilege. *It is, therefore, a right of inequality, in its content, like every right.*"⁹⁹ Moreover, it is also the factor that re-produces class divisions and thus regression to a class society.

The system of distribution in the advanced stage of communism is thus not according to labor, but according to need.

"In a higher phase of communist society, after the enslaving subordination of the individual to the division of labour, and therewith also the antithesis between mental and physical labour, has vanished; after labour has become not only a means of life but life's prime want; after the productive forces have also increased with the all-around development of the individual, and all the springs of co-operative wealth flow more abundantly – only then can the narrow horizon of bourgeois right be crossed in its entirety and society inscribe on its banners: From each according to his ability, to each according to his needs!"¹⁰⁰

⁹⁵ Marx: *Capital* (vol. 1). 1975, Beijing: People's Publishing House, p. 641.

⁹⁶ Marx: "*Critique of the Gotha Programme*", Marx Engels' Collected Works (vol. 3). Beijing: People's Publishing House, p. 434.

⁹⁷ Marx: "*Critique of the Gotha Programme*", Marx Engels' Collected Works (vol. 3). Beijing: People's Publishing House, p. 434.

⁹⁸ Marx: "*Critique of the Gotha Programme*", Marx Engels' Collected Works (vol. 3). Beijing: People's Publishing House, p. 435.

⁹⁹ Marx: "*Critique of the Gotha Programme*", Marx Engels' Collected Works (vol. 3). Beijing: People's Publishing House, p. 435.

¹⁰⁰ Marx: "*Critique of the Gotha Programme*", Marx Engels' Collected Works (vol. 3). Beijing: People's Publishing House, p. 435-436.

In China, which had just completed its socialist transformation, not only was there a huge disparity in wages, but cadres and intellectuals also enjoyed great privileges. Although this is nothing compared to capitalism, it is not in line with our communist orientation. Thus, although all these phenomena will continue to exist, they should be gradually changed in the socialist stage. Workers and peasants should participate in management, cadres and technicians should participate in labour, and workers and peasants should be allowed to learn cultural knowledge and technology so that the brain-body difference can be gradually reduced. The wage scale should also be reduced, and the principle of the Paris Commune that the wages of cadres should not exceed those of skilled workers should be applied. Moreover, the privileges in housing, education and health care are themselves a mistake and should be corrected.

There are also significant differences between rural and industrial areas and between urban and rural areas, and the countryside needs massive economic and infrastructure development to complete the socialization of agricultural production, so that all collective systems can transition to ownership by the whole people. At the same time, the peasants should be constantly educated politically to resist the spontaneous tendency of individual peasant production. "The serious problem is the education of the peasantry. The peasant economy is scattered, and the socialization of agriculture, judging by the Soviet Union's experience, will require a long time and painstaking work."¹⁰¹

Politically, it was not yet possible for the masses to participate in political decision-making, supervision, and the election and removal of public officials, so there was the possibility of bureaucrats using the regime for restoration. The 1957 "Double Hundred Movement" of democratic participation also came to an end due to the interference of the rightists and bureaucratic crackdowns, and thus the revolution in political relations had to continue. These are the areas that need to be reformed gradually in the socialist period according to the actual conditions, and the militia should be gradually expanded to allow the masses to participate more in political supervision and management, and to better develop mass organizations to facilitate their participation in politics. Culturally, there should also be more proletarian culture, and the proletariat should really have the right to cultural leadership.

Therefore, the transition from socialism to communism will not be natural, because there is still much need for revolution in economic, political and cultural relations, that is, for continued revolution under the dictatorship of the proletariat. It is precisely because there are still contradictions in the productive forces and relations of production, political relations and culture, that class struggle will continue to exist.

First of all, in the face of these problems, there are growing divisions within the party. The vanguard of the proletariat is supposed to lead the proletariat to liberate itself. But since the birth of the Party, there have been members who would go against the people, who were unwilling to accept the people's supervision and to give them democratic rights; who were unwilling to live the same life as the masses and to eliminate the three major differences; who were unwilling to involve the masses in the management of economic and political life; who did not let go of the need to mobilize and educate the masses, but instead were authoritarian and commandist. They oppose the continuation of revolution under the dictatorship of the proletariat and further revolution in the relations of production, political relations and culture, and ultimately they want to restore capitalism.

At the same time, the international bourgeoisie, the agents of the bourgeoisie among the intellectuals, and the bourgeoisie, which had been eliminated but still wished to rebel, would be the basis for the restoration of capitalism. Thus, the class struggle between the proletariat and the bourgeoisie began to emerge from the beginning of the socialist transformation, and as the

¹⁰¹ Mao Zedong: "*On the People's Democratic Dictatorship*", Selected Works of Mao Zedong (vol. 4). Beijing: People's Publishing House, p. 1366.

revolution continued under the dictatorship of the proletariat, the capitalists became more and more opposed to the proletariat's footsteps.

In fact, the continuation of the revolution under the dictatorship of the proletariat means that while struggling against the bureaucrats, the international bourgeoisie, and the bourgeoisie, which has been eliminated but still wishes to rebel, the people will gradually participate in the economic and political management, establish socialized production and ownership by the whole people, build a new culture of the proletariat, and finally eliminate bourgeois right and the three major differences. The three major differences were eliminated. This process was the entire history of China from 1958 until 1976, but in the end, the Chinese proletariat and its political representatives failed to overcome the bourgeoisie and to fulfill this mission.

2. The Great Leap Forward and the People's Communes

1. The Launching of the Great Leap Forward

In 1956, when the Second Five-Year Plan was being prepared, Mao Zedong discussed the problems of the First Five-Year Plan.

“The emphasis in our country's construction is on heavy industry. The production of the means of production must be given priority that's settled. But it definitely does not follow that the production of the means of subsistence, especially grain, can be neglected. Without enough food and other daily necessities, it would be impossible to provide for the workers in the first place, and then what sense would it make to talk about developing heavy industry? Therefore, the relationship between heavy industry on the one hand and light industry and agriculture on the other must be properly handled...

The problem now facing us is that of continuing to adjust properly the ratio between investment in heavy industry on the one hand and in agriculture and light industry on the other in order to bring about a greater development of the latter. Does this mean that heavy industry is no longer primary? No. It still is, it still claims the emphasis in our investment. But the proportion for agriculture and light industry must be somewhat increased.

What will be the results of this increase? First, the daily needs of the people will be better satisfied, and, second, the accumulation of capital will be speeded up so that we can develop heavy industry with greater and better results. Heavy industry can also accumulate capital, but, given our present economic conditions, light industry and agriculture can accumulate more and faster...

In the past our industry was concentrated in the coastal regions. By coastal regions we mean Liaoning, Hopei, Peking, Tientsin, eastern Honan, Shantung, Anhwei, Kiangsu, Shanghai, Chekiang, Fukien, Kwangtung and Kwangsi. About 70 per cent of all our industry, both light and heavy, is to be found in the coastal regions and only 30 percent in the interior. This irrational situation is a product of history. The coastal industrial base must be put to full use, but to even out the distribution of industry as it develops we must strive to promote industry in the interior... the greater part of the new industry should be located in the interior so that industry may gradually become evenly distributed; moreover, this will help our preparations against war. But a number of new factories and mines, even some large ones, may also be built in the coastal regions. As for the expansion and reconstruction of the light and heavy industries already in the coastal regions, we have done a fair amount of work in the past and will do much more in the future.

...consideration must be given to both sides, not to just one, whether they are the state and the factory, the state and the worker, the factory and the worker, the state and the co-operative, the state and the peasant, or the co-operative and the peasant. To give

consideration to only one side, whichever it may be, is harmful to socialism and to the dictatorship of the proletariat.

...The relationship between the central and the local authorities constitutes another contradiction. To resolve this contradiction, our attention should now be focussed on how to enlarge the powers of the local authorities to some extent, give them greater independence and let them do more, all on the premise that the unified leadership of the central authorities is to be strengthened. This will be advantageous to our task of building a powerful socialist country. Our territory is so vast, our population is so large and the conditions are so complex that it is far better to have the initiative come from both the central and the local authorities than from one source alone.

...But at present we cannot do without the proletarian party and the dictatorship of the proletariat and, what is more, it is imperative that they should be made still more powerful. Otherwise, we would not be able to suppress the counter-revolutionaries, resist the imperialists and build socialism, or consolidate it when it is built. Lenin's theory on the proletarian party and the dictatorship of the proletariat is by no means "outmoded", as alleged by certain people. The dictatorship of the proletariat cannot but be highly coercive. Still, we must oppose bureaucracy and a cumbersome apparatus."¹⁰²

The most important of these is to solve the problem of urban-rural, industrial-agricultural differences, as well as the proportion of heavy and light agriculture. Some people think that industrial accumulation relying on the surplus products of agriculture is an exploitation of the peasants, which is from the standpoint of the bourgeoisie or petty bourgeoisie, and that national industrialization can build up the technology of agriculture, produce agricultural machinery, and support the construction of rural infrastructure, and that eventually both urban and rural areas will become wholly owned by the people, and the peasants will become workers, thus industrial accumulation is actually The industrial accumulation of the working-class state is ultimately the accumulation for the workers and peasants, and thus it is not exploitation. However, if we only accumulate, without paying attention to the peasants' living standards, we are disengaging from the masses and this is not conducive to enthusiasm for production. Therefore, the first problem to be solved is to improve the living standards of the peasants, including the infrastructure of rural areas, including medical care, education and water conservancy, and to reduce the gap between urban and rural areas.

The second problem is how to use the large surplus labour force that emerged in the countryside after cooperative agriculture, as productivity rose and population growth accelerated with the improvement of rural sanitary conditions. Industrialization requires the accumulation of industrial funds, but the accumulation of industrial funds mainly comes from light industry and agriculture, which have quick results, and the motivation of workers to produce also requires the continuous improvement of material living standards, which also requires the development of agriculture and light industry. The third question is how to increase the construction of agriculture and light industry on the basis of ensuring the predominance of heavy industry. The fourth issue is how to motivate workers and farmers, raise their cultural and technical levels, and engage in scientific and technological innovation so that people can gradually participate in the management of production while building rapidly.

The solution to these problems points to a solution in the form of rural industrialization, along with production competitions and technological revolutions in urban rural areas, involving workers and farmers in cultural and technological learning and innovation. In the rural areas, the surplus labour force is used to establish labour-intensive rather than technology- and capital-intensive light industries, and at the same time, investment in agriculture is increased so that people who are idle

¹⁰² Mao Zedong, *On the Ten Major Relationships*

or do not need to work in agriculture can engage in the production of production tools, consumer goods, agricultural products processing, fertilizers, and other light industries. On the one hand, it raises people's living standards, and on the other hand, it rapidly raises accumulation and accumulates funds for the construction of heavy industry.

At the same time, Mao also encouraged workers and peasants to learn science and technology, and opened schools for workers and peasants, so that they could master production techniques and gradually eliminate brain-body differences. "Now it is a new revolution, a struggle against nature, and it will take five years to learn this knowledge. In the second half of the year, we have to come out to learn technology and propose it to the whole Party, and to be red and expert, to create this atmosphere in the whole Party."¹⁰³

This led to the idea of training "socialist conscious and educated workers". This is to develop and innovate technology by means of a mass movement, just like the slogan of the Great Leap Forward, "The masses must master culture and science by themselves" and "oppose the white specialization line". This would enable the workers to master science and technology and also facilitate technological innovation, because many technologies have the motivation and direction for innovation only in labour production. The mass movement approach to technological innovation was an original creation of Mao Zedong. At the same time, to ensure the successful implementation of this economic plan, it was necessary to expand local power on the basis of central leadership.

In January 1956, at a meeting on intellectuals, Zhou Enlai spoke out against "adventurism". On November 10 of the same year, during the evaluation of the First Five-Year Plan, Zhou Enlai said, "In 1953, we undertook a little too much capital construction. And we did the same thing this year on a larger scale." Chen Yun also said in the same month that "In economic development a rash advance was made in 1953, and there is a similar move again this year, which is a little bit bigger than 1953." With Mao Zedong's new economic development strategy, the Second Plenary Session of the Eighth Central Committee reached a climax in the fight against adventurism. The reason for this was that the bureaucrats in each region, acting in their own interests, wanted to increase construction in their own cities, whether in industry or infrastructure, and wanted to keep more on their side, rather than to balance construction and decentralize power, especially by devolving much of the investment and power to the countryside.

In response to this situation, Mao Zedong made seven points, disapproving of the continuation of the anti-adventurism process and proposing that under the policy of "ensuring priorities and contracting appropriately", a balance must be struck between the various regions and the rural and urban areas. In the end, Mao Zedong criticized the anti-adventurism movement at the close of the Third Plenary Session of the Eighth Central Committee on October 9, 1957. The ideas he talked about were accepted by the anti-adventurism people, and the Great Leap Forward began to be launched.

Yet bureaucrats still did not want to curtail urban industrial construction, and a contradiction arose. The policy of the Great Leap Forward was originally to "walk on two legs," that is, to develop modern industry while developing labour-intensive enterprises in the countryside with mainly soil technology. However, after the Great Leap Forward was launched from the end of 1957 to the beginning of 1958, the first leg expanded wildly due to the partial decentralization of planning rights and the high targets of bureaucrats for political achievements, which caused a shortage of coal. To ensure the supply of coal as a matter of priority, the outbound transport lines were already crowded with coal trains, while China's iron ore mines were so scattered and China's steel production was so overly concentrated at that time that it became increasingly difficult for steel production and transport to satisfy the wildly expanding first leg.

¹⁰³ *The Chronology of Mao Zedong* (1956-1959), Beijing: People's Publishing House. Pg. 285.

Finally, in August 1958, Mao Zedong had to listen to Bo Yibo, Wang Heshou and others who proved that rural "clay blast furnaces" were feasible, and then made the decision to use the "first leg to press the second leg", that is, to mobilize rural areas to use clay blast furnaces to make steel, which meant that technology-intensive industries were treated in a labour-intensive manner. Soon, the first-leg-pressure administrative order led to the imposition of steelmaking targets, replacing the original rural initiative to develop small factories on a local basis. Not only was the rural labour force over-utilized, but also the resources were greatly wasted. The strategy of balancing heavy industry, light industry and agriculture, balancing the various regions, and balancing urban and rural areas was completely disrupted by the bureaucratic high targets and blind command. It also intensified bureaucratic management instead of involving the peasants in the planning and management of construction. The serious economic problems that eventually emerged from the Great Leap Forward were largely due to the fact that the first leg severely overwhelmed the second leg.

However, the Great Leap Forward still made great achievements. The most important thing is that the workers of Anshan Iron and Steel Plant had a great creation - the "Anshan Iron and Steel Works Constitution". In other words, "workers participated in management, cadres participated in labour, combined workers, cadres and technicians, changed unreasonable rules and regulations, put politics in charge, insisted on the leadership of the Party, launched a mass movement, and launched a technical revolution." First of all, the "two participations, one reform and three combinations" are important ways to eliminate the mental-manual difference. Only when workers have the opportunity to participate in management and learn technology can they really prevent bureaucrats from seeking personal gain by using their power, and learn management experience, can they really achieve the task of eliminating the mental-manual difference. In contrast, the political leadership denied the need to stimulate motivation by material incentives, but relied on the ideological consciousness of the workers, so that they were truly transformed from workers to masters of the country. The mass movement was the way to ensure all this, especially because it was closely integrated with the technological revolution, and through the combination of the masses, cadres and technicians, a technology was created that was more in line with the reality of production and more closely aligned with the needs of the workers, rather than the capitalist technology that focused on production without regard for the lives of the workers. The Angang Constitution was a revolution in the relations of production under the socialist economic system, which led to the gradual elimination of the remnants of capitalist relations of production and the march toward communism.

Under such reforms, Anshan's economic construction has made great achievements.

"The degree of mechanization has been artificially increased, from 71% to 81% for Anshan Iron and Steel, and from 38% to 53% for local industries. Many factory and mine workers, in order to get rid of the heavy physical labour, often struggled day and night, without semi-mechanization and mechanization. The employees of Anshan Steel's transportation department have worked hard for a month, and basically realized semi-mechanized and mechanized loading and unloading and not only put down their shoulder poles and carrying baskets, but saved more than a thousand workers.

.....By the end of February, it has already realized 18 major new technologies, overcome 11 cutting-edge technologies, and succeeded in the trial production of 41 new products. For example, adding quicklime to the sintering ore and increasing the temperature of fixed carbon of mixed materials and the temperature of air extraction can increase the output. These are the major innovations and revolutions in raw materials, fuels and smelting systems in terms of technology and operation. In the steel rolling system, although the equipment is the most advanced, as long as you break the design rules, dare to innovate, there is great potential. For example, following the successful creation of the "seven pairs" rolling line in the No. 2 primary rolling mill of Anshan Iron and Steel Co., Ltd., double

clamping, double transportation, double rolling, double pushing, double shearing, double hanging and double turning were implemented in the whole operation process from feeding of material to the finished product. After increasing the equipment capacity can by 30 to 50%, the revolution was carried out on the continuous rolling mill that could only produce semi-finished products, and the finished steel products were successfully trial-rolled. In this way, the ingots were rolled into steel in one go, without heating, which could greatly save raw materials, improve the steel yield and free up the production capacity of the steel mill, which was a great innovation with great technical and economic significance. In the seamless steel pipe mill, five operating tables were controlled by electrical linkage and have been operated by no one; the successful trial rolling of 20 mm pipes on a 140 mm pipe rolling unit and the rolling of large pipes with small units had solved the problem of seamless large pipes that could not be produced in China at that time. In addition, Anshan Steel's semi-continuous plate rolling plant used isotopes to measure the uniformity and temperature of steel plates; the Mining Design Institute successfully tested iron ore flotation traps with low temperature coal tar instead of soybean oil; the Southern Machine Repair Plant used high sand ductile iron and cast steel instead of copper; and the local state-owned Anshan Steel Rolling Machinery Plant successfully tested the radio-controlled crane, which were all cutting-edge technologies with international advanced level and universal promotion value.

..... In January and February of this year, the region's total industrial output value was ahead of schedule to complete the national plan. Among them, January completed 106.2 percent of the plan; in February it completed 111.3 percent of the plan. Compared with the same period last year: January increased by 37.7 percent, February increased by 51.9 percent. The total output value of Anshan Steel exceeded the national plan by 5.2 percent and 2.4 percent in January and February respectively, while the total output value of local industry exceeded the national plan by 8.8 percent and 33.6 percent in January and February respectively."¹⁰⁴

In many places, "half-work, half-study" schools and study groups for workers were set up to raise their political consciousness, management ability, and technical skills. For example, "some theoretical teachers from the primary party school of the CPC Shanghai Committee and the district committee have begun to go into the factories to help workers set up philosophy groups and study theoretical issues with them in group meetings, and teachers from the philosophy department of Fudan University are also in contact with the factories and will soon participate in the popularization of philosophy among the workers."

It can be seen that the Great Leap Forward was not a general problem in China, but the more bureaucratic it was, the more serious the problem was. Whereas where the line was correct and reforms were carried out in the correct direction of the Great Leap Forward, great achievements were made.

2. The People's Commune Movement

In the Great Leap Forward, one of the basic economic policies was agricultural construction, and the main means was to organize human and material resources to carry out land clearing, farmland renovation, farmland water conservancy construction, and the adoption of new agricultural technology and mechanization. This is beyond the capacity of the original cooperatives. For example, the water conservancy construction involved a large area, manpower and material resources, which required the merger of the original cooperatives into a larger people's commune. A people's commune is an economic organization under the collective ownership of the working masses, based

¹⁰⁴ *Report of the Anshan Municipal Committee on the Development of Technical Innovation and Technical Revolution on the Industrial Front*, March 11, 1960.

on a high-level agricultural production society, and is not only the leading body of the collective economic organization, but also the grassroots power structure (township level), or the so-called "unity of government and society". In the people's communes, the former cooperatives (administrative villages) formed brigades and the natural villages formed production teams. The "Water Project Campaign" began in the fall of 1957 and expanded dramatically to the tens of millions in a few months in early 1958, directly triggering the people's commune movement.

On August 29, 1958, the Central Committee issued a resolution formally approving the People's Commune Movement. The resolution approved the establishment of people's communes in the country's rural areas and recognized that they were "the best form of organization to guide the peasants in accelerating socialist construction, building socialism ahead of schedule, and gradually transitioning to communism". The resolution considered that "for the time being, it is generally appropriate to have one commune in one township with about 2,000 households". The resolution pointed out that in establishing people's communes, it was necessary to prevent forced orders and haste, and to prevent any situation that might affect agricultural production. In addition, the resolution emphasized that the nature of the people's communes was still socialist rather than communist, and that they were collectively owned rather than owned by the whole people.

However, officials once again ignored the central government's resolution and forced the formation of people's communes for the sake of political performance. By the end of September, at least 90 percent of the peasant households had officially joined the newly established people's communes. By the end of the year, virtually the entire rural population had been organized into 24,000 people's communes, hastily formed by the merging of 750,000 cooperatives. The people's communes were much larger than officially mandated, with each commune consisting of an average of 5,000 peasant households (about 30,000 people) under the call for "one large, two publics". However, the number of members was very uneven, ranging from as few as 5,000 to as many as 100,000. Many people's communes ignored the prohibition of the August resolution, and the expansion of utopian fantasies led to the demand for the complete abolition of individual property and the implementation of absolute social averages, the so-called "communist wind", the forced equalization of different cooperatives, and the recovery of state loans, which is called "one level, two transfers and three collectives". (*"One level" was an abbreviation for egalitarianism, for denying differences in income and ability to perform labour; "two transfers" was an abbreviation for the transfer of labour and materials from the team and brigade levels to the commune without any compensation; "three collectives" is an abbreviation for transferring the system of ownership at the production team and production brigade levels from a mix of private and collective to only collective at the commune level* - *Trans.*) Since most of the strong labourers and women participated in the collective labour of the production brigades and production teams, the self-reserved land, which still accounted for 7% of the total arable land at the beginning of 1958, was practically abolished. In the most radical areas of the people's commune movement, everything from pots, pans, bowls and pots to clocks, watches and furniture became collective property and was handed over to the commune or put into an earthen blast furnace to refine iron. Although communism requires the realization of communal ownership of the means of production, it must take into account the productive forces and the state of mind of the people, and if it goes beyond a certain limit and is subjectively forced into communism, it will cause very serious problems.

Of course, the people's communes have made great achievements in many aspects. One is water conservancy and irrigation:

"From 1950 to 1955, a total of 140 million mu of irrigation area was expanded. From the winter of 1957 to the present, in the situation of the Great Leap Forward, the irrigated area was expanded by 400 million mu, which not only exceeded the sum of the expanded area in the eight years after the liberation, but also exceeded the irrigated area accumulated in several thousand years before the liberation. The works done from last winter to now

have completed 33 billion square meters of earth and stone, which can expand irrigation area by 400 million mu, improve irrigation area by 160 million mu, cure flooding by more than 220 million mu, and complete preliminary control of soil and water conservation by 200,000 square kilometres. Of the 400 million mu of completed irrigation projects, about 50 to 60 percent have already been effective. There are a considerable number of water storage projects that can take effect after the water is stored in the flood season."¹⁰⁵

There were also very significant improvements in medical care. Since medical technicians and medical resources were scarce in the new China and could not be developed quickly, barefoot doctors began to appear under the four guidelines for medical and health care proposed by the new China.¹⁰⁶ The so-called barefoot doctors were "half-medical, half-peasant" rural medical personnel. In 1958, when the agricultural collectivization movement was at its height and socialist ideals were high, a large number of Shanghai physicians organized themselves to go to the countryside and hold short-term training courses to train a large number of peasants to become health workers. These workers earned their living through their own farming work and communal funds, which allowed the commune to run free "cooperative medical care" with its own funds.

In education, along with the people's communes, there was a massive effort to educate the masses, with the emergence of "red college" universities, night schools, amateur education systems, and various "half-work, half-study" programs. The main purpose of local education was to provide peasants with the basic technical and cultural knowledge necessary to start local industries in rural areas and to promote the further adoption of modern technology in agricultural production. The communes also set up kindergartens and elementary schools, resulting in a much higher rate of elementary school enrolment. From the founding of the country to 1976, China's literacy rate increased from 10 percent to 90 percent, and basic education was basically universal, which was inseparable from the people's commune movement.

The people's communes had great advantages over the cooperatives, and because of their expanded scope, tasks that could not be accomplished on a cooperative basis, such as building water conservancy, reclaiming wasteland, mechanizing production, providing education, and providing medical care, were accomplished by the people's communes. The extreme leftist practices in the people's commune movement were the root cause of the problems. Instead of mobilizing the masses, the communes were established too quickly and by methods that were too commandist; communes were established that were too large, and the cooperatives were overly flattened, such as the extreme leftist practices of "one large and two public" and "one level, two transfers", and the even more extreme "utopian" practices advocated by Liu Shaoqi and Chen Boda. The "utopian" measures of collective canteens, collective hostels, and abolition of commodities were totally inconsistent with the productive forces and the peasants' ideological consciousness, and greatly damaged the normal progress of the people's communalization movement; and the bureaucrats' pompousness under Liu and Deng's advocacy made the problem even more serious. Therefore, the people's communes should not be completely rejected, but these unreasonable factors should be eliminated, especially the problem of bureaucratization.

3. From correcting the Left to opposing the Right

During the Great Leap Forward and the People's Commune Movement, many outrageous phenomena emerged due to bureaucratization. Many bureaucrats disregarded the lives of the people in pursuit of political achievements. Autonomy was devolved to the local level, but the bureaucrats retained the autonomy and did not mobilize the masses, but set high targets that were

¹⁰⁵ Li Baohua, *The New Situation of Hydraulic Movement*, 1958.

¹⁰⁶ Published in 1952: 1. The medical and health system serves the workers, peasants and soldiers; 2. Prevention is the main focus; 3. The combination of traditional Chinese and Western medicine; 4. The combination of health work and mass movements.

totally impossible to achieve for the sake of performance, and Liu and Deng and others still encouraged the bureaucrats' high targets.¹⁰⁷ The worst of these was the "Great Iron and Steel Refining", which resulted in a huge waste of labour and resources. The bureaucrats also forced the establishment of "one big, two public" people's communes and "one level, two transfers" for different cooperatives, which seriously discouraged production. The fierce utopian encouragement of Liu Shaoqi, Chen Boda and others contributed to the spread of communist and pompous winds. For those who could not meet the targets, they had to misrepresent their production. Moreover, as the agricultural labour force was diverted to industry, water conservancy and various construction projects, especially the "first leg" of the iron and steel production, there was a sudden shortage of agricultural labour, which had been in surplus, resulting in a situation of abundant food production but not abundant harvest. The general disruption of planning and coordination of the national economy led to serious inefficiencies in the production and distribution of products and raw materials, excessive strains on general transportation, and a severe shortage of materials needed for industry. The local "commandism", i.e., managerialism, led to uniform collective labour in the communes, and the peasants were exhausted by extending the working hours as long as possible to meet unrealistic production targets. This completely deviated from the original purpose of the Great Leap Forward and the People's Commune Movement.

As a result, Mao Zedong began to issue various instructions to prevent the party and government bureaucrats from "high targets, blind command, exaggeration, and a communist wind" in the campaign for political achievements. In November 1958, Mao Zedong fiercely criticized Chen Boda's theory of abolishing commodity production. Commodity production was indeed to be abolished by communism, but for China at that time, there were no conditions for the abolition of commodity production at all, and the collectivized economy and individual economic elements would continue for a long time, and the collectivized economy and individual economic components would continue to exist for a long time:

"Some comrades are Marxists when they read Marxist textbooks, and they have to discount practical problems as soon as they encounter them. In this wind, there are hundreds of thousands or even millions of people. As for the masses, they were also somewhat dazed. So, caution was exercised, avoiding the use of capitalist categories that still had a positive meaning - commodity production, commodity circulation, the law of value, etc. - in the service of socialism. tries to muddle through by using obscure words and phrases in order to appear that the peasants have entered communism. This is an incomplete and unserious attitude toward Marxism. This is a matter that concerns hundreds of millions of peasants."

At the Wuchang Conference held at the end of November 1958, Mao Zedong criticized the high targets and pompous wind in the "Great Leap Forward".

"Economic undertakings should be more detailed, more practical and more scientific. This is not the same as writing poetry. You must understand the difference between writing poetry and running economic undertakings. Even if you check it, you still have to estimate that there are still fakes. Some fakes, you can't find it out even if you check. People have a meeting and it has been arranged in advance. I hope that the central, provincial and local levels understand this problem and have a clear head. I will give a discount. A three-point leave, is it possible? Does this underestimate the performance and distrust the cadres and the masses? There must be some distrust, and at least 10% of the falsehood must be estimated, and some are 100% false."

The conference decided to revert to the production brigade as the basic unit of labour organization and production accounting, with industrial enterprises under communal ownership and the

¹⁰⁷ See People's Daily, September-October 1958.

production brigade as the unit of settlement for agricultural production and sideline industries, in opposition to the "communist wind" of the time and in accordance with the conditions of productivity and people's thinking at the time. The resolution also discussed the difference between the socialist and communist stages of development, and firmly affirmed that the commune remained socialist in nature. At the same time, the resolution warned against the rush to prematurely adopt communist measures and the illusion of transcending the stages of socio-historical development. Accordingly, the resolution called for the restoration of individual ownership of property such as houses, furniture, household goods and small farming tools, the restoration of land set aside to supplement food production, and the return of small livestock and poultry to peasant families.

Mao Zedong found that it was mainly the provincial and municipal cadres who drove the problems in the countryside by compulsory orders. Therefore, Mao Zedong said:

"When we are not concerned about such an important issue as the people's life, when we do not pay enough attention to it, when we do not take good care of it, we cannot blame others specifically. If they did less, they were called 'right-leaning' and led people's minds to one-sidedness, caring about production and forgetting about life. Solutions: (a) do not make the task too heavy, do not exceed the possibility of the masses' burden of energy, leave some room for the masses; (b) deal with production and life at the same time, walk on two legs, do not be one-sided."

In February 1959, the Zhengzhou Conference began to address the "communist wind" problem, and Mao Zedong proposed:

"To engage in communism every day is, in fact, a robbery of production. In the old society, the communists were called thieves, the red gang was called robbing, the youth gang was called stealing, and the scientific term for robbing and stealing was taking the fruits of other people's labour without compensation." "After the communes were set up in the autumn of 1958, for a while there blew up a "communist wind." It consisted mainly of three elements: the first was the levelling of the poor and the rich brigades, the second was that capital accumulation by the commune was too great and the commune's demand for labour without compensation was too great and the third was the "communization" of all kinds of "property". In this way, the 'communist wind' is blowing up... The phenomenon of uncompensated takeover of the fruits of other people's labour is something we do not permit."

In accordance with Mao Zedong's views, the Zhengzhou Conference established the principles of "unified leadership, team-based; hierarchical management, decentralization; three-level accounting, each accounting for profits and losses; distribution plans, decided by the community; appropriate accumulation, reasonable transfers; material labour, equal exchange; distribution according to labour, recognition of differences. The objectives of the work during this period were to decentralize power, clear the accounts, and set targets for production, as well as to elect leading Party organs at all levels of the commune and management organs of the commune and teams, and to carry out a comprehensive liquidation of the "communist wind" and pay back compensation.

However, Mao Zedong's actions to correct his mistakes were met with overt or covert resistance from local governments. On March 15, 1959, Mao Zedong issued the first "Communication within the Party". In the history of the CCP, there is no precedent for adopting such an approach of solving political problems in the name of individuals. If Mao Zedong hadn't believed that the bureaucracy had hindered the development of the grassroots in the right direction, the correct decisions of the central government would have been passed down by the local party and government in the process of communication. However, institutions are generally resisted, and to varying degrees, there is the

problem of being "discounted" by the local government for its own interests. Without this, he would not have adopted such a method of directly communicating with the local grassroots.

From April 18 to 28, 1959, the First Session of the Second National People's Congress was held in Beijing. Mao Zedong officially resigned from the presidency and Liu Shaoqi succeeded him. On April 29, 1959, Mao Zedong issued an "Intra-Party Correspondence" to six levels of cadres (provincial, prefectural, county, commune, brigade, and squad). It was sent directly to the most grassroots Party organizations, thus openly and severely criticizing the boastful style on a very large scale.

"The first question concerns the fixing of production targets. Rice transplanting is being carried out in the south and the north is also engaged in spring cultivation. Fixing production targets must be based on realities. Just do not pay any attention to those stipulations made in the instructions from higher levels. Ignore them and simply concentrate on practical possibilities. For instance, if production per mu was actually only 300 catties last year, it will be very good indeed if production could be increased by 100 or 200 catties. Elevating it up to 800, 1,000 or 1,200 catties and even more is mere bragging and cannot be achieved at all. So, what is the use in exaggerating? Again, for example, the achievement will be very great indeed if an increase of 200 or 300 catties can be achieved this year from land producing 500 catties per mu last year. To increase further, generally speaking, is impossible.

The second question concerns close planting. It should not be too thinly spread out, nor planted too closely. Many of the young cadres and some higher-level organizations, lacking in experience, doggedly called for close planting only. Some even claimed that the closer the planting, the better it will be. This is incorrect. The older people doubt this and so do the middle-aged. It will be excellent to hold a meeting of these three types of people and arrive at a suitable degree of closeness to be maintained in planting. Since production targets are to be fixed, the question of close planting should be discussed and determined by production teams and production groups. Rigid orders from above regarding the closeness to be maintained are not only useless, but also very harmful. Therefore, we should completely refrain from issuing such rigid orders to those in the lower levels. The provincial party committee may suggest the width to be applied to close planting. This should not be issued as an order, but as a reference for lower levels. Besides, the higher levels should give great care to the study of what degree of closeness would be best. After accumulating some experience, a more scientific stipulation on the degree of closeness to be applied should be drawn up on the basis of differences in climate, differences in localities, differences in the condition of soil, fertilizer, water, seeds, differences in the crops and differences in the levels of efficiency in field management. And it will be fine if, in a few years, a standard which is both practical and applicable is developed.

The third question concerns economizing on food grains. This problem must be grasped most firmly and food rationed in accordance with the number of people. We should eat more during the busy season and less during the slack season. During the busy season, we should eat solid food, during the slack season, we should eat semi-solid rations mixed with sweet potatoes, green vegetables, melons, beans and taro. This matter must be grasped tightly. Harvesting, storage and consumption (reap, store and eat) must be grasped very, very tightly every year. Furthermore, they must be grasped at the right time, for opportunity knocks only once and time lost can never be recovered. There must be reserve grains. Set aside a little each year and increase reserve grains year by year. After eight or 10 years of struggle, the problem of food production will be solved. In 10 years, there should be no boasting or exaggerating; to do so will be highly dangerous. Keep in mind that ours is a big country with a population of 650 million and eating is a matter of great importance.

The fourth question concerns broader acreage in planting. The plan calling for less planting with higher yields and richer harvests is a long-range one and it is workable. However, this plan cannot be implemented in its entirety or even the greater part of it in 10 years. It should be put into effect step by step in accordance with the conditions in the next 10 years. The greater part of this plan cannot be carried out in the next three years. In the coming three years strive for extensive planting. The guideline for the next few years is the simultaneous implementation of extensive planting with low yields and less planting with richer harvests of high quota, high yield farmland.

The fifth question concerns mechanization. The fundamental way out for agriculture lies in mechanization. Ten years will be needed to achieve this. There will be minor solutions in four years, intermediate ones in seven and major solutions in ten. This year, next year, the year after and the year after, we will be relying mainly on improved farm tools and semi-mechanized farming implements. Every province, every district and every county must establish farm tools research stations and concentrate a group of scientific-technological personnel and experienced carpenters and blacksmiths of the rural areas to gather together all kinds of more advanced farm tools from every province, district and county. They should compare them, experiment with them and improve them. New types of farm implements must be trial-produced. When they are successfully trial-produced, test them out in the fields. If they are found to be truly effective, then they can be mass produced and widely used. When we speak of mechanization, we must also include mechanized manufacturing of chemical fertilizers. It is a matter of great importance to increase chemical fertilizer production year by year.

The sixth question concerns candor. State exactly what production targets can be achieved. When you have exerted all efforts but failed to achieve something, do not force yourself to make false claims of success. State exactly how much you have harvested and refrain from making false statements, which are contrary to facts. There must be honesty in the measures taken to increase production and to implement the Eight Character Constitution on Agriculture. An honest man has the courage to speak the truth and in the end, it will be beneficial to the people's cause and to himself. People who are fond of making false statements are firstly hurting the people and secondly, themselves. It should be said that many of these false statements were the result of pressure from above. "Exaggeration and pressure from and pledges to" higher levels create difficulties for the lower levels. Therefore we must be vigorous, but we must not make false claims."¹⁰⁸

The "contracted production" here is the third-level ownership. The team is the basis. The production team is mainly responsible for production. Enterprises and water conservancy that cannot be accommodated by the production team are owned by the commune. This was an ownership system that conformed to the productive forces and people's ideological conditions at the time, and the "one big and two public" system was actually completely inconsistent with the reality at that time.

The "Three Red Banners", namely the General Line, the Great Leap Forward and the People's Commune, were correct and an effective way to gradually break down bourgeois right, eliminate the three major differences, and build socialism and transition to communism, but bureaucratization had brought about various problems. In order to completely solve the serious problems caused by bureaucratic substitution and blind command for the sake of performance, Mao Zedong decided to convene a central working conference in Lushan to bring the Great Leap Forward back on the right track. On June 29 and July 2, 1959, Mao Zedong held two meetings to determine the 18 issues to be discussed at the conference and set the tone of "great achievements, many problems and a bright future". The direction of reform was also to eliminate those wrong practices and bureaucratic styles

¹⁰⁸ Mao Zedong: *Intra-Party Correspondence*, Collected Works of Mao Zedong (Vol. 8)

under the policy of the Great Leap Forward and the people's communes. Of course, at this time Mao still did not think that bureaucrats should be fought without mercy, but advocated that in the process of correcting the "left", all levels should take responsibility, adopt a persuasive and educational approach, not hold individuals responsible, and pay attention to protecting the enthusiasm of cadres and the masses. The main reason for the mistakes made was the inexperience of the Party as a whole, and the necessary measures should be taken to find ways to correct the "left" and put the Great Leap Forward and the people's commune movement on the right track.

However, the session of the Lushan Conference was expected to end on July 15, and Peng Dehuai felt that he had not finished his speech in the group meeting, so he wrote a letter to Mao Zedong and submitted it to him in the morning of July 14. On July 16, Mao Zedong issued the letter to the General Assembly for discussion. Mao Zedong had no reason to be angry because Peng Dehuai's letter was not as sharp as the "Agreed Record" drafted by Wu Lengxi and others. For some of Peng Dehuai's remarks that overly negated the Great Leap Forward and attacked the party and government bureaucrats, Mao Zedong was only dissatisfied at first, and he did not take Peng Dehuai's comments as so serious.¹⁰⁹ Moreover, Chen Yun also wrote a letter no less gentle than Peng Dehuai before, and Mao Zedong readily accepted the criticism. When Mao Zedong inspected Hunan, Hua Guofeng, who was in charge of Hunan's agriculture, pointed out the various shortcomings of the Great Leap Forward, which was praised by Mao Zedong.

In fact, Mao Zedong realized that at that time there were quite serious disagreements about the Great Leap Forward and the People's Commune Movement, not only within and outside the Party, but also at such high-level Party meetings as the Lushan Conference. The issues raised by Peng Dehuai were somewhat representative, and not Peng Dehuai alone, but a considerable number of people had this view and understanding, so the letter was forwarded to the meeting for discussion to facilitate the elimination of differences for the benefit of future work. Mao Zedong proposed the title of Peng Dehuai's letter to be "Comrade Peng Dehuai's Opinions". When he instructed the printing and distribution of it for the meeting for discussion, he neither made any comments on the letter, nor did he characterize the letter.

On July 21, Zhang Wentian, Vice Minister of Foreign Affairs, made a lengthy speech at the panel meeting, affirming Peng's letter, defending some of the criticized views, systematically expounding his understanding of the Great Leap Forward and the People's Commune Movement, and theoretically analysing and explaining them. On the evening of July 22, Mao Zedong conferred with Liu Shaoqi and Zhou Enlai and prepared to hold a general meeting the next day.

In his speech on July 23, Mao Zedong mainly criticized two tendencies: First, people who made mistakes in the Great Leap Forward and the People's Commune Movement, but could not listen to different opinions and jumped at the touch of a button, and he advised them to listen to criticism; the other was to advise those who were wavering, which Mao considered to be fundamentally opposed to the Great Leap Forward and the "Three Red Banners". Mao accused them of being right-deviationist. However, in his speech, Mao Zedong criticized Peng's views, but did not name Peng Dehuai, but named leaders who had made mistakes in the Great Leap Forward and the People's Commune Movement, such as Ke Qingshi, Wang Heshou and Tan Zhenlin; he did not reject all of Peng Dehuai's letter and the remarks of some other people, but affirmed that they were basically correct, but pointed out that some of them were inappropriate; he clearly pointed out that they were not rightists. " They are still thirty kilometres away from the rightists. ".¹¹⁰

In fact, Peng Dehuai's case was of the same nature as Gao Gang's. It was a struggle between civilian bureaucrats and military bureaucrats, and when the party and civilian officials made serious mistakes, Peng Dehuai wanted to bring down the party and civilian officials, while Mao naturally did

¹⁰⁹ See Wu Lengxi, "Remembering Chairman Mao".

¹¹⁰ See Li Rui, "Lushan Conference Transcript"

not want to bring down the party and civilian officials represented by Liu Shaoqi completely, because they had the ability to govern and were not unreformable at that time. Since Mao Zedong supported the party and civilian officials, the party and civilian officials naturally refused to give up.

The meeting was scheduled to end on July 31.

"When we returned to our residence after the meeting, Mao Zedong instructed us to pack our things and prepare to leave. But some leading comrades refused to do it and proposed to solve the problem of Peng Dehuai. That night, I was then officially informed not to go down the mountain to convene a plenary session of the Central Committee..... Mao Zedong did not attend the plenary session of the Central Committee. The meeting was very noisy and loud. When the noise came, Mao Zedong couldn't sleep. He couldn't sleep because he was going to lose his temper. He asked me to go and see. I saw many people arguing with Peng Dehuai. I headed back and repeated what they said to some of the others".¹¹¹

At the preparatory meeting of the 8th Plenary Session of the 8th Central Committee on August 1, Mao Zedong said to Peng Dehuai, "I am 66 years old, you are 61 years old, I am dying, many comrades have a sense of panic, it is difficult to deal with you, many comrades have this concern." At the plenary session, Peng Dehuai and others spoke casually and in an uncool manner. For example, Peng Dehuai's "cursing" at the North China Work Symposium and his words about "inviting the Soviet Red Army to come" were exposed by Chen Yi and He Long, which further increased the tension in the situation. And before that, on the night of July 23, Zhou Xiaozhou, Zhou Hui and Li Rui went to Huang Kecheng's place to talk about the small organization activities were exposed by Luo Ruiqing. Khrushchev criticized and blamed China's Great Leap Forward and the People's Communization Movement, while Peng Dehuai had just returned from a visit to the Soviet Union, and some of his views on the Great Leap Forward and the People's Communization Movement were similar to those of Soviet leader Khrushchev. He also said something like "we may have to invite the Soviet Red Army to come here", and was thus suspected of "returning from foreign experience" and "being a foreigner".

The situation at the meeting took a sharp turn for the worse. Soon, some people began to link Peng Dehuai's close relationship with Gao Gang, criticizing his performance in the "Gao-Rao Incident", believing that Peng Dehuai was a "remnant" of the Gao-Rao group, and even spoke of the "Peng and Gao alliance". In the criticism, Liu Shaoqi, He Long, Tan Zhenlin, Ke Qingshi, Li Jingquan, Tao Chuan, Luo Ruiqing and others were particularly vocal. Finally, on August 16, the plenary session adopted the Resolution on the Errors of the Anti-Party Group headed by Comrade Peng Dehuai. Peng Dehuai, Huang Kecheng, Zhang Wentian and Zhou Xiaozhou were branded as an anti-Party group. The charges were denying the "three red flags", "communicating with foreign countries", having a "military club", and having a relationship with the Gao-Rao Group.

After the Great Leap Forward, the state rehabilitated the "right opportunists" in the "anti-rightist" movement in 1959. But Liu Shaoqi said: "All comrades can be rehabilitated, but Comrade Peng Dehuai cannot be rehabilitated." Later, Liu Shaoqi specifically addressed the Peng Dehuai issue at the 7,000-person meeting in 1962.

"Comrade Peng Dehuai wrote a letter to Chairman Mao in the middle of the Lushan Conference in 1959. At the Lushan Conference, we fought against Comrade Peng Dehuai's right-leaning opportunist anti-Party group. The written report said that this struggle was completely necessary. Did we start this struggle only because Comrade Peng Dehuai wrote this letter? No, we did not..... The problem with is not that Comrade Peng Dehuai wrote this letter wrongly. The problem is not here. The reason why the Lushan Conference started the struggle against Comrade Peng Dehuai's anti-Party group is because for a long time Comrade

¹¹¹ *Li Yinqiao's Memoirs.*

Peng Dehuai had a small group within the Party, and he joined Gao Gang-Rao Shushi's anti-Party group. He is a remnant of the Gao and Rao group and is a major member of this group. Therefore, Chairman Mao said at the Lushan meeting: Is it a Gao and Rao alliance, or Gao and Peng alliance? I'm afraid it should be a Peng and Gao alliance. The main thing is not that Gao Gang used Peng Dehuai, but that Peng Dehuai used Gao Gang. Some of the things that Comrade Peng Dehuai accused in his letter were already mentioned by the Central Committee of the Party, but Comrade Peng Dehuai never spoke about it before the Lushan Conference. He attended the two Zhengzhou conferences, the Wuchang conference and the Shanghai conference, but he did not speak. Even at the beginning of the Lushan Conference, he did not speak. In the middle of the Lushan meeting, he took out the letter. Why? This is because at that time, we had discussed how to continue the work of the Zhengzhou Conference. The first thing is that we have already discussed how to continue the work of the Zhengzhou Conference. In Comrade Peng Dehuai's view, if he did not speak at that time, there would be no opportunity to speak later. So he hastily brought out that letter in an attempt to use the shortcomings and mistakes in our work to attack the Party in order to achieve his personal goal and that of his clique to usurp the Party."

It was clear that it was the party and government bureaucrats, represented by Liu Shaoqi, who really wanted to bring down Peng Dehuai. Eventually, "during the plenary session of the Central Committee, several Politburo meetings were held in the house where Mao Zedong lived. The Politburo discussed and decided that: Only remove Peng Dehuai from the post of Minister of National Defence and Vice Chairman of the Military Commission, and still retain the positions of Politburo member and Vice Premier. His life treatment remains unchanged."¹¹²

It can be seen that Mao did not want to dismiss Peng Dehuai completely. Despite his heated words in the meeting, his many offensive remarks, and his small group activities he was a force that could balance the power of Liu Shaoqi and other party bureaucrats. However, the criticism of Peng Dehuai had a very bad effect, that is, the Party and government bureaucrats used it to criticise those who pointed out the left-leaning mistakes in the Great Leap Forward. They were branded as "right-leaning opportunists". In this way, the opportunity to correct the mistakes of the Great Leap Forward was lost, which eventually led to disastrous consequences.

4. The "three years of difficulties" and the gains and losses of the "three red flags"

The biggest problem with the Great Leap Forward was that the peasants were forcibly ordered to engage in industrial production, especially steel production. The Great Leap Forward was also intended to take advantage of the surplus rural population and the idle period of farming, but the high targets such as the Great Iron and Steel Production led to a large number of rural laborers being put into industrial production and exhausted by the crazy targets, and the agricultural laborers quickly changed from surplus to scarcity. In 1958, due to the great steel-making, there was a shortage of labour for harvesting, resulting in "abundant production but not abundant harvest". The next three years were marked by severe natural disasters, with typhoons causing huge floods in the southern provinces of China and Liaoning, while the middle and lower reaches of the Yellow River basin suffered from drought and pests threatened large areas of the countryside. Sixty percent of the country's farmland was affected by floods or droughts, and agricultural production plummeted.

¹¹² *Li Yinqiao's Memoirs.*



On the one hand, natural disasters and misguided orders resulted in the reduction of grain production. On the other hand, large-scale industrial development caused a large number of people to move into cities, and the deterioration of Sino-Soviet relations forced China to repay its debts, resulting in a surge in demand for agricultural products. More damagingly, under strong pressure from superiors to release satellites, rural cadres greatly exaggerated agricultural yields, so that the already watered-down yield figures given to state leaders still far exceeded the actual yields. (*The so-called "satellites" were fabricated examples of harvest data inspired by the success of the Soviet Sputnik satellite which was widely featured in poster art – Trans.*) Under the erroneous assumption that there is a large surplus of grain in the countryside, the state abandoned the prudent policy it had been adopting and substantially increased the quota for grain purchases. In 1959, even though agricultural output had fallen, the amount of grain requisitioned by the state had increased dramatically. It was not until 1960 that the central government really recognized the seriousness of the situation and cut back on grain requisitions, but by then famine was already threatening large rural areas.

For example, Wu Zhipu, secretary of the Henan Provincial Party Committee, was very boastful and actively "anti-rightist", which caused serious famine in Henan and created the infamous "Xinyang Incident".

"The occurrence of the Xinyang Incident has a lot to do with some wrong political campaigns carried out in Henan Province before. In 1958, the "Anti Pan-Yang-Wang Incident" that shook the whole province happened in Henan. Under the auspices of the provincial Party committee, the first secretary Pan Fusheng, deputy secretary Yang Jue, and deputy secretary Wang Tingdong, they were labelled as "right-leaning opportunists". They also arrested "Xiao Pan Fushengs" all over the province, "planting red flags and pulling white flags", and criticized and fought a large number of party members and cadres who told the truth and did practical things. Since then, many people have turned their backs on nonsense, exaggeration, "communism", one level and two tunes, especially the compulsive orders of cadres and blind commands, which have been blowing up, and they don't care about the lives of the people at all. From then on, many people lied unscrupulously, talking nonsense with their eyes open, and the wind of boastfulness, the "communist wind", and the wind of "one flat and two adjustments", especially the wind of forced orders and blind command by cadres, was blowing up, and they were not caring about the lives of the people. I remember that at an expanded meeting of the provincial committee in the autumn of 1958, Wu Zhipu told a story in his report that there was a man in history who held a sword in his hand and pointed to a stone and said it was gold. At the same time, he said that it was wrong to say

that Qiao's wife couldn't make rice-free porridge but now Qiao's clever daughter-in-law can make rice-free porridge. It was such whimsical propaganda and agitation that brought the "Great Leap Forward", which was already completely out of touch with reality, to a climax.

This is the root cause of the Xinyang incident. In fact, it was not only Xinyang, but also all over the province, only that Xinyang had more starvation deaths. Therefore, the Xinyang incident was actually an incident in Henan Province, and the Henan Provincial Committee, headed by Wu Zhipu, was mainly responsible for it.

Wu Zhipu, an old comrade who joined the Party during the Revolution, was a longtime high school teacher and joined the army at the beginning of the anti-Japanese war, serving as the director of the political department of the Fourth Division of the New Fourth Army. He was an amateur in local work and practiced individualism, plus improper hiring, using people of poor quality as senior staff, which finally caused a big mistake. Originally Wu Zhipu had a high prestige in Henan, but after the anti-Pan Fusheng campaign, his prestige was greatly reduced. The masses said, "Follow Pan Fusheng, eat a catty a day, follow Wu Lanpu, eat a lot of suffering." This kind of ballad was quite common, which shows that the people can see most clearly who is right and who is wrong.

It can be seen from the Xinyang incident that our broad masses of the people are really kind. At that time, so many people starved to death in Xinyang area. It was not that there was no food. The grain depots were full, but the masses would rather starve to death. Nor did they rob a grain depot. This proves how obedient, law-abiding and trusting the people are who are linked to the Communist Party. And some of our leaders and cadres are really ashamed of the people!¹¹³

Liu Shaoqi is unshirkably responsible for the mistakes made in the movement.

"According to Liu Shaoqi's recollection of his speech at the Zhengzhou Conference on November 7, 1958, roughly in April 1958, on the train to Guangzhou, Liu Shaoqi chatted with Zhou Enlai, Lu Dingyi, and Deng Liqun, 'boasting about half-work and half-study, about how to spread universal education, about communes, utopia, and the transition to communism. At the second meeting of the Eighth Congress, he talked about half work and half study and the collectivization of life, and asked Beijing and Tianjin to carry out experiments first. In fact, Liu Shaoqi not only did not oppose, but rather appreciated, the "leftist" practices of running communes, public canteens, and iron and steel production, which began in 1926, and tried to implement them in practice.

... On July 2, 1958, during a discussion with the workers of the Shijingshan Power Plant in Beijing, he predicted: 'It will not take more than ten years to catch up with the United Kingdom, but two or three years will be enough, and it will surpass the United Kingdom next year and the next year. This is not a lie. Iron and steel, and coal can be overtaken next year, electricity will be slower, a few more years, about five years, but five years is no good, for other things, seven years, but most of the others two or three years. It might take 15 years for the problem of the United States. In fact, it won't take fifteen years, seven or eight years will do. The population of China is equal to three Soviets and four Americas. The US has just a few more tons of steel and other industrial products. In fifteen years, we will overtake the whole of Europe (including the Soviet Union). Europe, with a population of 600 million, is about the same size as us. Dozens of countries in Europe do not help each other, but our dozens of provinces can help each other. With local enthusiasm, in 15 years many provinces

¹¹³ Zhang Shufan: "*Xinyang Incident: A Painful Historical Lesson*".

will surpass one country, Hebei will surpass England, Henan will surpass France, another will surpass Italy, and another will surpass West Germany.

..... And in Changshu County, Jiangsu Province, when the party secretary of a township told him that the rice fields yielded 10,000 jin per mu, Liu Shaoqi's reply was: 'Can you get more than 10,000 jin? You have good conditions here and with deep ploughing, you can still get more.'

... Liu Shaoqi also refuted the view that large-scale iron and steel smelting outweighs the losses. For example, on September 23, 1958, he said at a symposium with officials in Nantong: 'It is good to build a blast furnace to produce iron. This is the master's money. Don't count the cost. In the past six months, we are mainly familiar with the technology. We have learned the skills, and we can produce tens of thousands of iron smelters a year. 10,000 people mine, 10,000 people transport, and 10,000 people make 30,000 people in iron making. This is a good method. Every county should send people to support steel making and iron making.' On September 23 of the same year, at a meeting of party members and cadres in Nanjing, he talked about this point again: Now there are many difficulties and a lot of efforts to refine such a small amount of iron, but it is also very expensive in terms of cost, and it cannot be converted. However, there is a great advantage. If people are trained, they will be able to make steel and iron in the future. In the future, we will have millions or tens of millions of iron and steel technicians. At this time, it is necessary to spend some money to study it, and it is not a waste. If we build a small furnace now, and it is wrecked after a few months of refining, this is not a waste of refining. Then pull out and build a big one. How can this be counted as waste? It is not a waste. From this development, our national spirit is very good.'"

And while Mao was trying to correct the mistakes in the Great Leap Forward, "..... Liu Shaoqi on many occasions continued to defend the Great Leap Forward on the one hand and began to engage in a great personality cult of Mao on the other, the latter making the correction of the Great Leap Forward more and more difficult."¹¹⁴

Liu Shaoqi first opposed collectivization, but in the Great Leap Forward and the People's Commune, he engaged in extreme leftism, which is a puzzling point. But it is not difficult to understand the behaviour of the whole bureaucracy. At that time, the bureaucrats, for the sake of political performance on the one hand, and unwilling to let the people make the decisions on the other, adopted a commandist approach, and the problems of "high targets, blind command, boastful wind, and communist wind" emerged, which were all consistent behaviours of bureaucrats. As Liu Shaoqi was about to become president, he, as the head of the bureaucracy, also wanted to achieve political results. Therefore, he not only did not oppose these outrageous acts, but also pushed them forward. When Chairman Mao corrected him, he was unwilling to admit his mistakes for the benefit of the bureaucratic group.

The economic crisis in China was further exacerbated in the summer of 1960 when Khrushchev abruptly withdrew 1,400 scientists and specialists working in some 200 enterprises in China. The sudden withdrawal of experts meant that a large number of factories under construction were halted, and many of the factories under construction could not continue because they were built according to Soviet design drawings. New projects were also abandoned as the Soviet Union simultaneously suspended contracts for the delivery of plans and equipment. This caused serious losses to Chinese construction.

Despite a well-established system of grain distribution from reserves and the purchase of large quantities of wheat from Canada and Australia, China was still experiencing severe food shortages.

¹¹⁴ Huang Lingjun: "*Liu Shaoqi and the Great Leap Forward*"

The number of unnatural deaths due to famine had been small, but a large number of people were starving. There is no doubt that it had written a painful page in China's arduous journey of industrialization and modernization.

As we can see, the Great Leap Forward and the People's Commune Movement were important initiatives to develop the productive forces and reform the relations of production to eliminate the three major differences, and there were many great breakthroughs in various fields. However, under the bureaucrats' "high targets, blind command, boastful wind and communist wind" for their own interests and without regard to reality, very serious consequences were caused.

During the Great Leap Forward, the Gross National Product increased by 31.67% in the three years from 1958 to 1960, with an annual growth rate of 9.6%; the growth index was 90.28% in the five years from 1958 to 1962, with an annual decrease of 2% according to the horizontal method, or 0.62% according to the cumulative method; the Great Industrial Leap Forward was also achieved from 1958 to 1960, with an annual increase of 28.1% in industrial added value and 32.8% in total industrial output value in these three years. Measured by the horizontal method, the GDP in the Second Five-Year Plan period declined by 2% annually, while the value added and total agricultural output value declined by 5.65% and 4.3% respectively. Among the major agricultural products, all declined significantly, except for the sheep stock, which increased by 6.4 percent annually.¹¹⁵ Moreover, Mao Zedong's original intention to regulate the emphasis on agriculture and the ratio between urban and rural areas and regions was not adjusted, as the crazy indicators made economic development more deformed. Although natural disasters and the withdrawal of Soviet technicians and demands for debt repayment dealt a huge blow to the Chinese economy, they would not have caused such serious problems without bureaucratic problems. It is clear that bureaucratization had actually reached a point where China could not complete its economic construction and socialist revolution.

Many people completely deny the Great Leap Forward and the People's Commune, regardless of their historical process, but they do not know the specific contents of these two movements and the problems to be solved, and then count all kinds of bureaucratic actions criticized by Mao Zedong as the stupidity of Mao and the people, which is nonsense with no regard for the facts! The problems in the People's Communes and the Great Leap Forward can only be solved by resolute and thorough class struggle - struggle against the bureaucrats in the Party - and not by the revisionist road of restoration. The restoration will only lead to the destruction of the productive forces of agriculture and the withering of the countryside, as the history of reform and opening up has clearly proved.

3. From Economic Adjustment to "Three Freedoms and One Guarantee"

1. "Article 60" and the "man-made disaster theory"

In August 1960, when the State Planning Commission discussed the compilation of the national economic control figures for 1961, Li Fuchun said: "The national economic plan for 1961 should focus on adjustment, consolidation, and improvement, supplemented by the addition of new production capacity." At the end of August, when Li Fuchun reported to Zhou Enlai, Zhou Enlai added the word "enrichment" and turned it into the eight-character policy of "adjustment, consolidation, enrichment, and enhancement", and its scope of application was changed from the policy of the planning department to the policy of the Party and the government to adjust the entire national economy. When adjusting the whole report, the eight-character policy was affirmed. Of course, the idea of the Great Leap Forward was gradually implemented later, especially during the Cultural Revolution, but the Great Leap Forward came to an end as a historical period of "high targets, blind command, boastful wind, and the policy of the national economy of the communist wind," which

¹¹⁵ See Sun Xuewen: *"Mao Zedong's Unparalleled Merit and the Sun and Moon Shine Together"* and data from the National Bureau of Statistics.

was transmitted to the State Planning Commission by the Central Committee of the Communist Party of China on September 30, 1960.

From May 21 to June 12, 1961, a central working conference was held in Beijing, and the "Regulations on Rural People's Communes (Draft)" (i.e., the "Sixty Articles on Agriculture") was formulated. The people's commune system of "three-tier ownership and team-based" was finally established. During the reform, the scale of the people's communes was greatly reduced, and the country's 24,000 people's communes were broken down into about 74,000 communes, each with about 1,600 farm households, with the production team (that is, the primary agricultural community of that year) as the basic accounting unit. This was a system that really fit the situation at that time.

At this time, Mao Zedong had already thought deeply about the Great Leap Forward, and he openly put forward the theory of "man-made disasters" within the Party.

"I did not expect that in 1960 the natural disaster would be greater and the man-made disaster would also come. This man-made disaster was not caused by the enemy, but by ourselves. This year, the first leveling and second transfer is more serious than in 1958, which lasted only four or five months, but this year is a whole year."

"Don't talk about the problem of nine fingers and one finger at this time. In fact, some shortcomings and mistakes are not a problem of one finger, some are two fingers, and some are three fingers. In short, check the problem clearly, how many are there, how much should be talked about. Some comrades mentioned that there is right against right, there is 'left' against 'left', there is what against what, there is how much against how much, these few words are good."¹¹⁶

Later, Mao Zedong also reflected on the Lushan Conference:

"After the Lushan Conference, where did we go wrong? The mistake is that the resolutions on Peng, Huang, Zhang, and Zhou should not have been communicated below the county level. It should be communicated to the county. Up to now, the county and below continue to implement the "Zhengzhou Meeting Minutes" and the 18 articles of the Shanghai Meeting, and continue to oppose the 'Left'. As soon as the anti-rightist movement was established, it created an illusion that production was growing, but in fact it was not. The problems of Zhang, Zhou and Zhou can be communicated to a small group of hundreds of thousands of people. It is good that the army does not get companies, and the local areas do not get below the communes. If they continue, many 'right opportunists' will be rectified. Now it looks like a mistake has been made, turning good people and honest people into 'right opportunists' or even 'counter-revolutionaries.'"¹¹⁷

Some people think that Liu Shaoqi came up with the "man-made disaster theory" and that Mao Zedong launched the Cultural Revolution to get rid of Liu Shaoqi, who "said this", but this can only be described as ignorance of history. In fact, it was Mao Zedong who opposed the mistakes in the Great Leap Forward and came up with the "man-made disaster theory", and Liu Shaoqi's speech on this issue at the Seven Thousand Congress was just a repetition of Mao's words. The so-called "human disaster" was mainly caused by bureaucracy.

2. "Seven Thousand People Conference" and "Three Freedoms and One Guarantee"

The enlarged Central Working Conference, which opened on 11 January 1962, was attended by the Central Bureau, provincial, municipal and autonomous regional Party committees, local committees, county committees and key heads of factories and mines, as well as some leading cadres from the army. As more than 7,000 people attended, it was known as the "Seven Thousand People

¹¹⁶ See *The Chronicle of Mao Zedong (1959-1961)*

¹¹⁷ See *The Chronicle of Mao Zedong (1959-1961)*

Conference". At the conference, Liu Shaoqi made a 180-degree turn and began to largely reject the Great Leap Forward and the People's Communes.

While correcting the mistakes of the communist wind, the household contract responsibility system was revived. In the spring and summer of 1962, Deng Zichuan, Chen Yun, Liu Shaoqi, Deng Xiaoping, Zhou Enlai, Zhu De and Tao Chu all expressed their approval of this. Deng Xiaoping put forward the "cat theory".

"I am afraid that we have to take such an attitude as to what form of production relations (collective or individual) is best. which form is easier and faster to resume and develop agricultural production, which form should be adopted. It is wrong to take individual enterprises as the basic political line. But it can be used temporarily in order to solve emergency situations. Now it seems that whether it is industry or agriculture, we cannot move forward unless we take a step backwards. The main issue at hand is food. It is a good thing that individual production can increase food production. It doesn't matter if it's a white cat or a black cat, if it catches a mouse, it's a good cat."

According to Liu Shaoqi's speech at the Beidaihe Conference in August 1962, "At that time, it was estimated that 20% of the country was going it alone. Now it seems that the highest percentage in the country is only ten percent." When Tian Jiaying returned to Beijing from his Hunan survey to report to Chairman Mao, he also said, "Now about 30 per cent of the peasants throughout the country have been engaged in farming and sharing of land to households, and this is still developing.

"This led to the "three freedoms and one guarantee" advocated at the time, i.e. the expansion of self-reserved land, the expansion of the free market for individual trading, the introduction of enterprises to bear their own profits and losses, and the contracting out of production to households. In agriculture, there were the "four returns", i.e. the return of land, large livestock, small livestock and gardens to individuals; in industry, there were the five adjustments, i.e. the closing, suspension, merger, transfer and reform of collective enterprises, meaning that many of them were to be privately owned.

Why did the bureaucrats make such a change? In fact, the bureaucratic clique within the party was to a large extent stuck in the neo-democratic stage of thinking and they did not support the socialist transformation. But when the socialist transformation was completed under the impetus of the revolutionary wing of the Party, the bureaucratic clique was again reluctant to mobilise the masses and involve them in the administration. But problems did arise and they retreated back to their original line, hoping to revive capitalism. In fact, the line of the bureaucrats, whether left-leaning or right-leaning, was the line of the bourgeoisie. Even if they had to continue with the revolution under the dictatorship of the proletariat, they still wanted to retain the remnants of the old relations of production, i.e. the one-long system, the priority of efficiency and material incentives.

However, the "three freedoms and one guarantee" were in fact a reversal of the process, which was not only detrimental to the development of agricultural productivity, but also led to a division between the rich and the poor, so that the socialist transformation efforts of the past ten years were in vain. As capitalism flourished again, people began to slacken off on collective production and to seek private gain, which was actually totally detrimental to the development of the productive forces in the long run, because small crafts and individual farming were in fact an obstacle to the socialisation of production, which kept productivity at the old level. Moreover, as the rich got richer and the poor got poorer, the situation would arise where "the poor had no place to stand, while the rich had fields of hope", and the people would "suffer twice from eating bitterness and enduring hardship". Once the socialist foundation of agriculture was destroyed, the entire socialist foundation of industry would collapse and capitalism would be restored. Thus, in fact, the differences in the Party line were so serious that an internal struggle could not be avoided.

3. Reiterating the "class struggle"

Mao Zedong then began to fight back against the "three freedoms and one guarantee". The Decision of the Central Committee of the Communist Party of China on Certain Problems in Current Rural Work (Draft) (i.e. the First Ten Articles) clearly shows that the following class struggle situation exists:

(1) The overthrown exploiting class, the landlords and rich peasants, always tried to return to power and waited for an opportunity to counter-attack and take class revenge against the poor and lower middle peasants. (2) The overthrown landlords and rich peasants tried every possible means to corrupt the cadres and usurp the leadership. The leadership of some societies and teams was in fact in their hands. In some parts of other organs, there are also their agents. (3) In some places, rich landowners and peasants restored feudal clan rule, carried out counter-revolutionary propaganda and developed counter-revolutionary organisations. (4) Landlords, rich peasants and counter-revolutionaries, used religion and reactionary sects to deceive the masses and carry out criminal activities. (5) Various sabotage activities by reactionaries, such as destruction of public property, theft of information and even murder and arson, were found in many places. (6) In business, speculative activities are very serious, and in some places, such activities are very rampant. (7) The phenomenon of labour exploitation, loan sharking, and land buying and selling also occurred. (8) In society, in addition to the old bourgeois elements who continued to engage in speculation, new bourgeois elements emerged to make a fortune from speculation and exploitation. (9) In the authorities and in the collective economy there are a number of corrupt and thieving elements, opportunists, and degenerate elements, who collaborate with the landlords and rich peasants to do wrong. These elements are part of the new bourgeois elements or are their allies.

At the same time, with the bourgeoisie within the Party already seriously impeding the economic construction of socialism and the transformation of economic and political relations, and with their blatant policy of restoration, a plenary session of the Central Working Conference was held in Beidaihe on the afternoon of 6 August 1962, chaired by Mao Zedong. Mao Zedong stated the importance of class struggle under the socialist system:

"Are there classes or not? Do classes still exist? Do classes still exist in socialist countries? Some people in foreign countries say that there are no more classes. The Communist Party is also called the 'party of the people', it is no longer an instrument of the class, it is no longer the party of the class, it is no longer the party of the proletariat. The dictatorship of the proletariat no longer exists, it is called the 'dictatorship of the whole people', the 'government of the whole people'. What is the dictatorship for? There would be no target at home, but only external contradictions. Does this also apply in a country like ours? We can talk about it. This is a fundamental question. I have spoken to comrades in all six regions and I have heard that there are people in the country who say the same thing. Some people were surprised to hear that there are still classes in the country.

What contradictions are there? One is the contradiction between the enemy and ourselves, and the other is the contradiction among the people. There are two types of contradictions among the people. There is a kind of contradiction, the contradiction of the bourgeoisie, which is essentially hostile, is the contradiction between socialism and capitalism. We treat it as a contradiction among the people. If we admit that domestic classes still exist, we should admit that the contradiction between socialism and capitalism exists. The remnants of class are long-standing and the contradictions are also long-standing, not for decades but for centuries. If there are no classes, there will be no Marxism, no more contradictions, no more conflicts. There are now some farmers who are going it alone, a few dozen per cent,

some say 20 per cent, and even more in Anhui. Nationally, this period is more prominent. The question is whether to go socialist or capitalist? Should rural co-operatives be adopted? Should it be a 'household contract responsibility system' or collectivisation? For those who have already been given 'household contracts', they should not be forced to correct the situation, but to do the work. Why so many documents? In order to consolidate the collective economy. Now there is a trend of going it alone. The higher the upper class, the bigger it is. If there are classes, there will be strata. The landlord and rich remnants still exist. If the proletariat does not pay attention to leadership and does not work, it cannot consolidate the collective economy, and it is possible to engage in capitalism. Some people also want to go it alone."¹¹⁸

At the meeting on 9 August, Mao went on to mention.

"Since 1960, instead of talking about a brightness, we have only talked about a darkness, or mostly darkness. There was confusion in thinking, so the task was proposed: go it alone, all or most of it. It was said that this was the only way to increase food production, otherwise there would be no way for agriculture. Forty per cent of the production was allocated to the households, and there was a race between the individual and the collective, which was in essence called the majority of the individual work. The task was clearly set out to polarize the two sides, with corruption, theft, speculation, concubines and loan sharks, while the military, martyrs, workers, cadres and the five guarantees (households) would be poor. The various ministries and commissions of finance and economics never make reports, do not ask for instructions beforehand, and do not report after the fact. In an independent kingdom, there are four seasons and eight solar terms, (*"four seasons and eight solar terms" is an idiom used by famous Tang poets Du Fu and Bai Juyi indicating that the past continues, nothing is changed – Trans.*) and there are forced signatures, and they do not contact the central government above, and they do not contact the masses below."¹¹⁹

These speeches caused a great shock in the Party. The reintroduction of the "class struggle" was a major adjustment in the Party line at a time when the differences in the Party line had become irreconcilable. Subsequently, Deng Zichuan and others began to make a review. On the issue of the situation, Liu Shaoqi also said: "At the January meeting we made an estimate and said at that time that the most difficult period had passed. At the May meeting, we made another estimate. Now we see that the May meeting overestimated the difficulties on two points. The first was that it was a foregone conclusion that the summer harvest would be cut. Now it seems that the production has not been reduced but has increased."

On 24 September 1962, the 10th Plenary Session of the 8th CPC Central Committee was held in Beijing. Mao Zedong presided over the 10th Plenary Session of the 8th Central Committee. Eighty-two members of the Central Committee attended the meeting, and the heads of the relevant departments of the Central Committee and the Party committees of the provinces, municipalities and autonomous regions were present at the meeting. Mao Zedong made a speech on class, situation, contradictions and unity within the Party, saying that "the class struggle must be discussed every year, every month and every day". Once again, he criticised the "going it alone wind", the "revisionist wind" and the "dark wind" and made the call to "never forget the class struggle". The communiqué of the Plenum basically formed the complete formulation of the Party's general line for the entire historical period of socialism:

"Throughout the entire historical period of the proletarian revolution and the dictatorship of the proletariat, the transition from capitalism to communism, which will take decades or more, there is a class struggle between the proletariat and the bourgeoisie, between the

¹¹⁸ See *The Chronology of Mao Zedong (1961-1966)*, pp. 127-129.

¹¹⁹ See *The Chronology of Mao Zedong (1961-1966)*, p. 130.

two paths of socialism and capitalism. The overthrown reactionary ruling class is not willing to perish and always tries to revive itself. At the same time, there is still the influence of the bourgeoisie and the customary forces of the old society, the spontaneous capitalist tendencies of some small producers, so that among the people there are still those who have not been transformed by socialism, who are few in number, only a few per cent of the population, but who, at the first opportunity, try to leave the socialist road and take the capitalist road. In these circumstances, class struggle is inevitable. This is a law of history that Marxism-Leninism has long set out and which we must not forget. This class struggle is intricate, tortuous, sometimes up and down, sometimes even violent. This class struggle was inevitably reflected in the Party. The pressure of imperialism abroad and the presence of bourgeois influence at home are the social roots of revisionist ideas in the Party. While waging the struggle against class enemies at home and abroad, we must be on guard and resolutely oppose all kinds of opportunist ideological tendencies within the Party."¹²⁰

Of course, only the international and some of the social bases of the restoration were mentioned here. Since the differences within the party were not yet open, and the representatives of the proletarian class had no experience of socialism and were still immature in their understanding of the socialist contradictions, it was not pointed out that the restoration was in fact mainly motivated by the fact that some of the vanguard had turned against the people and become agents of the defeated bourgeoisie, who were in fact the greatest targets of the class struggle.

However, at least from then on, "anti-revisionism and prevention of revisionism" and "class struggle" became an important guiding principle for the whole Party at that time. From then on, there was a clear class struggle between the proletariat and its class representatives and the capitalist elements in the Party and the bourgeoisie or bourgeois-minded people in all fields represented by them. One side of the struggle wanted to continue the revolution under the dictatorship of the proletariat and gradually change the capitalist elements in economic, political and cultural relations so that society could develop towards communism, while the other side wanted to cling to the existing order or even attempt to restore it. The "Four Clean-up Campaign" that followed was an attempt to bring about a class struggle within the Party.

Many people say that Mao loved struggle, that he "had to fight when there was a struggle, and he had to fight even when there was no struggle to create a struggle". In fact, the struggle was carried out in response to the objective class situation. It is precisely because there are two directions of development in socialism and the question of "who is victorious over whom" that class struggle is inevitable in the socialist stage. To deny the reality of the class struggle is in fact to expect the proletariat to become passive and to give up the struggle so that the bourgeoisie can revive and oppress the people without any resistance.

4. Tibetan Reform and the War of Self-Defence against India

At the time of the peaceful liberation of Tibet, the feudal lordship system was still in place. The lords exploited the serfs in the form of corvée rent, rent in kind and money. The three main lords, the

¹²⁰ In 1967, during the Cultural Revolution, Mao's words were collated by some people and summarised as follows: Socialist society is a rather long historical stage. In this historical stage of socialism, there are still classes, class contradictions and class struggles, the struggle between the two paths of capitalism and socialism, and the danger of the restoration of capitalism. We must recognise the longevity and complexity of this struggle and be on high alert. Socialist education is needed. The issue of class contradictions and class struggle must be correctly understood and dealt with, and the contradictions between the enemy and us and the internal contradictions of the people must be correctly distinguished and dealt with. Otherwise, a socialist country like ours will go in the opposite direction, will deteriorate and will be restored. From now on, we must talk about this issue year after year, month after month, day after day, so that we can have a clearer understanding of this issue and have a Marxist-Leninist line.

government, the nobility and the monks of the monasteries, who made up 2% of the population, were in full possession of all the means of production and livelihood in Tibet and controlled the economic lifeline of the region. All the tribes in Tibet were under the jurisdiction of the three lords, and tribal leaders were appointed by the lords, some even directly by the lords, who paid taxes on pastures. The agents of the lords together with the three lords formed the ruling class of Tibetan feudal society.¹²¹ The serf class in Tibet, although accounting for nearly 95 per cent of the total population, did not own land or pasture and were physically dependent on their lords. About 70% to 80% of the fruits of the serfs' labour throughout the year were plundered by the serf owners, and they had difficulty maintaining physical survival on the remaining less than 30%.

In addition, usury exploitation was an important means of exploiting and squeezing serfs. The three lords were large and small creditors, and the debtors accounted for about 90% of the total number of households. Among the creditors, mainly monastery lords, the general interest rate is 30-50%, and some are as high as 100% or even 150%. Usury is a "debt of descendants" that will never be repaid. As a song put it, the serfs "can take away only their shadow, and leave only their footprints". In addition, usury exploitation was an important means of exploiting and squeezing serfs. The three lords were large and small creditors, and the debtors accounted for about 90% of the total number of households. Among the creditors, mainly monastery lords, the general interest rate is 30-50%, and some are as high as 100% or even 150%. Usury is a "debt of descendants" that will never be repaid. As a song put it, the serfs "can take away only their shadow, and leave only their footprints". In an interview with National Unity in April 1988, the 10th Panchen said: "Before the democratic reform in 1959, Tibet was a feudal serf society with the unity of religion and the dictatorship of monks and nobles. I am afraid its darkness and cruelty were even worse than the serfdom of medieval Europe."¹²²

From the Republican period onwards, although some capitalism sprang up in Tibet and commercial trade developed, the feudal serfdom economy remained overwhelmingly dominant. The exploitation of the serfs by the lords had intensified, and feudal serfdom had become increasingly decadent and reactionary, becoming a serious constraint on productivity and social development. For a long time, Tibet's agriculture, animal husbandry and handicraft production lagged behind, while commercial trade with the interior of the mainland became one of the main pillars of the local economy. Some of the commodities essential to the daily life of the Tibetan people, such as tea, grain, salt, cloth and agricultural tools and metal objects, came from the interior. After the second British invasion of Tibet, the Tibetan ruling class was divided. Some Tibetan aristocrats turned to the British to protect their privileges and property against the power of the British guns, and eventually embarked on the road to "independence" that divided Tibet. By the 1940s, this had evolved into the pro-imperialist separatists within the local Tibetan government, represented by Erzang and Shagpa, and the Tibetan independence group, represented by Daza.

The peaceful liberation of Tibet on 23 May 1951 marked the beginning of the democratic revolution in Tibet. During the eight years between the peaceful liberation of Tibet in 1951 and the rebellion of the local Tibetan government and the reactionary groups at the top in 1959, the central government concentrated on anti-imperialism and refrained from anti-feudalism. For the ruling class, "as long as they severed their links with imperialism and other foreign interlopers and refrained from further destructive activities, they would not be blamed."¹²³ Thus, in addition to upholding the principle of state sovereignty, the Seventeen Articles Agreement, while affirming that Tibet would be reformed

¹²¹ The three main lords are the "jangzo" (the great steward), the "neba" (the small steward), the "xibon", the "xidu" (the officer who manages the estate), the "dacha" and the hereditary "gendai" (the village headman), who make up 3% of the population and who directly rule and exploit the serfs on behalf of the serf lords, without working and exploit more than 50% of the total annual income of the family.

¹²² "Feudal Serfdom in Old Tibet", in China News Network

¹²³ Yin Fatang, 'The Revolution of the Million Serfs for Emancipation', in Tibetan Studies, 1999, No. 3

when conditions were ripe, also provided, in the light of the prevailing circumstances, that "the Central Government shall not force the local government of Tibet to carry out reforms in all matters relating to Tibet, and that the people may adopt a consultative approach with the Tibetan leadership when they demand reforms. If the people demanded reform, they could resolve it through consultation with the Tibetan leadership." This was considered from the dual perspective of the united front and the mobilisation of the people to liberate themselves. Mao also pointed out that "in considering any problem in Tibet, we must first think of the two major issues of nationality and religion, and all work must be done carefully and steadily."¹²⁴

The PLA, cadres and staff who entered Tibet strictly observed and conscientiously implemented the provisions of the Seventeen Agreements, respected the customs and habits of the Tibetan people and their freedom of religious belief, and, in accordance with the instructions of the Party Central Committee, not only did they refrain from mentioning the reform of the Tibetan social system or engaging in class education, but even films such as *The White Haired Girl*, which was a household name in the Mainland, were prohibited from being shown in Tibet. During the eight years from 1951 to 1959, the CPC Tibetan Labour Committee did two main things: firstly, it carried out extensive anti-imperialist and patriotic united front work among the monks and lay people, uniting all strata of the Tibetan people in their struggle to implement the Seventeen Agreements; secondly, it actively carried out work to influence the masses as far as it could, doing those things that were agreed by the Tibetan hierarchy and supported by the people, such as building roads, bridges, airports, schools and free medical treatment. building airports, running schools, providing free medical treatment, granting loans, etc.

Even before the People's Liberation Army entered Tibet, the Central Committee of the Party and Chairman Mao instructed: "march into Tibet and do not eat the place", "march while building" and "march while building roads." After the peaceful liberation of Tibet, they sought to eliminate the interference of the previous ruling class and to provide relief and assistance to the poor farmers and herdsmen in the stable development of production. 3 billion yuan (in old currency) in interest-free agricultural loans were granted for the first time by the troops entering Tibet in May 1952. By 1958, a total of more than 2.7 million yuan in silver had been granted. Among other things, the Chamdo Area Liberation Committee decided to waive all the agricultural taxes that had accumulated in various clans before 1950. At the same time, production tools, interest-free seed loans and loans were also granted to poor farmers and herdsmen and craftsmen without charge. In the early 1950s, when there was no formal road in Tibet, the Central Government invested a huge sum of over 260 million yuan (new currency) and mobilised tens of thousands of troops into Tibet for voluntary work, building the Kang-Tibet and Qinghai-Tibet highways in more than four years.¹²⁵

Although the Chinese government has adhered to the guidelines of the Seventeen Articles, by paying Tibetans for road construction, the Chinese government has dealt a blow to the centuries-old system of *ula corvée* in Tibetan society. In December 1957, the Autonomous Region Preparatory Committee announced that all Tibetans who had become cadres in state institutions would no longer be subject to compulsory labour, breaking through a gap in the system of slavery in which the serfs had been held.¹²⁶ All these had shaken every aspect of the previous ruling order and posed a sharp challenge to the serf-owners. Beginning in 1956, the democratic reforms (land reform) in Tibetan areas of Sichuan triggered a bloody rebellion, with the Xikang rebels entering Lhasa. The rebellion spread to other Tibetan areas and became more widespread, culminating in a full-scale armed rebellion in March 1959, when the "Independent State of Tibet" was established. The Tibetan troops were able

¹²⁴ Yin Fatang, 'Comrade Mao Zedong and the Revolution and Construction of Tibet', in The Soul of the Nation website, August 2006

¹²⁵ Chen Chongkai, 'A Brief Discussion of the Central and National Policies to Support Social Development in Tibet', in Journal of the Tibetan Institute for Nationalities (Social Sciences Edition), 77, 1999.

¹²⁶ Guo Guanzhong, 'A Review and Study of Democratic Reform in Tibet', in Tibetan Studies, No. 2, 1998.

to quell the rebellion quickly and resolutely, and at the same time carried out democratic reforms in accordance with the policy of "reforming while quelling the rebellion".

In accordance with the Central Government's policy of "fully mobilising the masses, reforming while pacifying, reforming first when there is a rebellion, and reforming later following a rebellion, and suspending reform in areas where there is no rebellion", democratic reform has progressed rapidly, destroying the feudal serf system in Tibet that had lasted for thousands of years. In just a few years, the lordly system of ownership of the means of production was changed and more than 2.8 million acres of arable land were distributed to 200,000 landless serfs and slaves, so that the millions of serfs who had been living without a fixed place to live or food to eat were given the basic means of production and livelihood. The first step was to confiscate all the land, livestock, houses and belongings of the rebellious lords and their agents, and to "collect from whoever planted" the land in agricultural areas and "return to whoever grazed" the livestock in pastoral areas. The second step was to carry out the "three anti-rebellions" (anti-rebellion, anti-ula and anti-personal slavery), "double reductions" (rent and interest reductions) and "two benefits" (two benefits for pastoralists and herdsmen); the third step was to demarcate classes and distribute land. For the non-rebellious lords and their agents, the government paid for the purchase of their means of production (land and livestock) and distributed them equally to all, with the money paid by the government in instalments, and invited the leading figures among them to take up official positions in the government, the National People's Congress and the Chinese People's Political Consultative Conference and receive salaries. In the pastoral areas, the policy toward unconvicted pastoral owners was "do not demarcate classes, do not fight, and do not divide into classes", in order to broaden the base for unity and narrow the targets of struggle.

The temples were typical representatives of feudal serfdom, and the reactionary upper echelons of many temples were the planners and organisers of armed rebellions. The first step was to identify the rebels, followed by the "three anti's" (anti-rebellion, anti-personal slavery and anti-feudal privileges) and "three calculations (account for political persecution, account for hierarchical oppression, and account for economic exploitation), and then set up a temple "democracy". The Management Committee," ruled by "poor lamas", exercised dictatorship over the "upper lamas" who were regarded as serf-owners. After the democratic reform, in accordance with the principle of "separation of state and religion", the temple lost its power in administrative and economic affairs, and according to the Constitution, it could not interfere with education and justice, and lost all the estates, serfs, and prominent positions in the government. Afterwards, there were only 553 temples and about 7,000 monks and nuns. The reserved temples are also allocated a certain amount of land, and the government also gives certain subsidies. The first source of income is to maintain normal activities with redemption money; the second is that the old, sick, disabled and chanting monks receive grain and oil from the government on a monthly basis; the third is that productive monks participate in farming, animal husbandry, sideline and forestry production, and open up wasteland for temples and pastures, to fend for themselves.¹²⁷

The Tibetan people had finally been freed from the shackles of serfdom that had been in place for thousands of years, as sung in the episode of the documentary "Tibet Today", "The Serf Sings":

"O sun, the haze of light
O eagle with wings to soar
Springtime on the plateau
How can I not sing
Springtime on the plateau

¹²⁷ Wu Yunzen, *"The History, Current Situation and Countermeasures of the Tibetan Temple Economy: Reflections on the Adaptation of Tibetan Buddhism to Socialism"*, in *Journal of the Tibetan Institute for Nationalities*, 22, 2001. (Philosophy and Social Science Edition), No. 22, 2001

How can I not sing
The snow-capped mountains glitter in silver
The waves of the Yarlung Tsangpo River
Dispelling the dark clouds and seeing the sun
How wide is the road to revolution
Dispelling the dark clouds and seeing the sun
How wide is the road to revolution
Chairman Mao, the Red Sun
The saviour is the Communist Party
The serf is singing
The song of happiness is heard everywhere"

The transformed serfs burst out with great enthusiasm and worked hard on their land, contributing to the rapid development of productivity. The serfs said, "The sun of the Dalai shone on the nobles, the sun of Chairman Mao shone on us; now the sun of the nobles has gone down, our sun has risen." Some even sang, "The sun has come out, the grass is growing, we have a new lease of life!" Among the serfs, the Communist Party made great efforts to train local ethnic cadres through various channels.

According to Chairman Mao's policy of "stable development", the transformation of the means of production from ownership by master serfs to ownership by individual peasants and herdsmen had to be settled for a period of time, from 1961 to 1965, "no socialist transformation, no cooperatives, and no people's communes for five years. " From 1964 onwards, the CCP's Tibetan Labour Committee began preparatory work for socialist transformation in Tibet. By the end of 1966, more than 150 people's communes had been set up on a trial basis throughout the region, and at the end of 1970, the Central Committee issued an instruction on the socialist transformation of Tibet, and more than 1,000 people's communes were set up throughout the region that year. By the end of 1975, 1,921 people's communes had been established in nearly 2,000 townships in Tibet, excluding the Ari region.¹²⁸ From 1975 to 1976, the Tibet Autonomous Region Committee of the Communist Party of China led a region-wide socialist transformation of commerce and handicrafts in towns and cities.¹²⁸

After the People's Liberation Army entered Tibet, a series of territorial issues arose. After the talks between the two sides broke down, the Dalai Lama Tenzin Gyatso fled to India for asylum in 1959, and China and India began to quarrel. Later, a series of firefights and conflicts led India to enter the southern Tibet region to establish military strongholds, and sent troops to cause the war. In October 1962, China launched a counterattack in self-defense against India. In November, China won a victory, preventing India's aggression against China under the support of Soviet revisionists.

5. The Soviet Revisionist Road and the Breakdown of Sino-Soviet Relations

The revisionist line of the Soviet Union is rooted in the fundamental contradictions of socialism. In a socialist society, where bureaucrats, managers and technicians control the politics and economy of the country, the proletariat will lose power if it fails to continue to revolutionise relations of production and politics and to win the class struggle. The rise to power of the bourgeoisie, represented by Khrushchev, and the subsequent adoption of a series of revisionist policies, usurped the power of the proletariat step by step and led to the gradual return of capitalism to power in the USSR.

¹²⁸ Hu Yan, 'Forty Years of Socialism in Tibet', in Tibetan Party School, No. 4, 1999.

After the 1957 manifesto, Khrushchev continued to preach the "Three Harmonies and Two Wholes",¹²⁹ denying the existence of class struggle in socialist countries and advocating that the proletariat in other countries could go through socialism by means of the so-called "peaceful transition". Within the Soviet Union, bourgeois ideology pervaded the cultural scene, social class divisions deepened, bureaucratization grew, and the revolutionary spirit of society disappeared. As a result, relations between the Soviet Union and China inevitably deteriorated. The Soviet Union and the United States formed the so-called "Camp David spirit" in an attempt to carve up the world together.

"In 1958, the leadership of the CPSU put forward unreasonable demands designed to bring China under Soviet military control. These unreasonable demands were rightly and firmly rejected by the Chinese government. Not long afterwards, in June 1959, the Soviet government unilaterally tore up the agreement on new technology for national defence signed between China and the Soviet Union in October 1957 and refused to provide China with a sample of an atomic bomb and technical data concerning its manufacture.

Then, on the eve of Khrushchev's visit to the United States, ignoring China's repeated objections the leadership of the CPSU, rushed out the TASS statement on 9 September on the Sino-Indian border incident, siding with the Indian reactionaries. In this way, the leadership of the CPSU brought the differences between China and the Soviet Union right into the open before the whole world.

...In the circumstances, in order to defend Marxism-Leninism and the 1957 Declaration and clear up the ideological confusion in the international communist movement, the Communist Party of China published "Long Live Leninism!" and two other articles in April 1960. Keeping to our consistent stand of persevering in principle and upholding unity, we concentrated on explaining the revolutionary theses of the 1957 Declaration and the fundamental Marxist-Leninist theories on imperialism, war and peace, proletarian revolution and the dictatorship of the proletariat. The views in these three articles were totally different from the series of erroneous views that were being propagated by the leaders of the CPSU. However, for the sake of the larger interest, we refrained from publicly criticizing the comrades of the CPSU and directed the spearhead of struggle against the imperialists and the Yugoslav revisionists."¹³⁰

When the Soviet Union launched another surprise attack on the Chinese Communist Party at the June 1960 congress of the Communist and Workers' Parties of the Socialist Countries, the Chinese Communist Party delegation solemnly declared.

"We disagree with Comrade Khrushchev on a series of fundamental principles of Marxism-Leninism. The fate of the international communist movement depends on the demands and struggles of the peoples and on the guidance of Marxism-Leninism, and never on the baton of any individual. Our Party believes only in the truth of Marxism-Leninism and will never submit to false views that go against Marxism-Leninism."

¹²⁹ i.e. "Peaceful Coexistence", "Peaceful Competition", "Peaceful Transition", "Party of the whole people", "State of the whole people".

¹³⁰ People's Daily Editorial Department, Red Flag Magazine Editorial Department: "On the Origin and Development of the Differences Between the Leaders of the CPSU and Ourselves" (One Commentary), September 6, 1963.

In July the Soviet government suddenly and unilaterally decided to withdraw all Soviet experts in China within a month, tearing up hundreds of agreements and contracts. The Soviet side also unilaterally broke the agreement between China and the USSR to publish and reciprocally distribute *Friendship* and *Soviet-Chinese Friendship* magazines respectively. The Soviet Union's move caused great damage to China's economic construction. Since then, a protracted polemic between the Soviet Union and China had been underway, with the Communist and Workers' Parties of the world split between the revisionist "Moscow faction" and the revolutionary "Beijing faction", later known as the "Maoist faction".

The Soviet Union embarked on the path of revisionism, dealing a major blow to the international communist movement, which had been flourishing. At about the same time as the Soviet Union, the socialist countries, with the exception of China, embarked on the path of revisionism. Only China and Albania remained on the road to proletarian revolution, and of course there were the oppressed and exploited peoples of the Third World countries fighting alongside socialist China and Albania. On the one hand, the fact that the five countries had embarked on the path of revisionism was a great wake-up call to China that the proletariat had gained power and could still lose it, and that its greatest enemy was the bourgeois party in power; on the other hand, it forced China to adjust its diplomatic strategy and seek an international environment conducive to socialist construction.

Section IV. The Four Clean-ups Movement Against the Restoration and the First Attempts at Class Struggle

I. The Launching of the Movement and the First Ten Articles

In response to the class situation within and outside the Party, Mao's first move was to educate cadres and peasants in socialism. The peasants were an important class base for the restoration, "small production is constantly, daily, spontaneously and in large numbers engendering capitalism and the bourgeoisie."¹³¹ In spite of the communisation of the people's communes, the mechanisation of agriculture had not yet taken place and production methods were still mainly small-scale, so in the absence of Party leadership and education, the peasants were likely to move towards small-scale production. This is why Chairman Mao said before the founding of the country that "the serious problem is to educate the peasants. The peasant economy is decentralised and, according to the Soviet experience, it takes a long time and careful work to socialise agriculture."¹³² But if a section of the Communist Party membership has begun to become the recruiters and agents of the extinct bourgeoisie, it becomes impossible to educate the peasantry through them, and therefore also the cadres in general.

The first stage of the socialist education movement revolved around correcting "going it alone" and consolidating the socialist economy. After the autumn and winter of 1962, according to the decision of the Tenth Plenary Session of the Eighth Central Committee, some areas carried out socialist education campaigns and rectification. In Baoding, Hebei Province, a rectification movement was carried out with the main content of "cleaning-up accounts, cleaning-up warehouses, cleaning-up property, and cleaning-up work points" (Little Four Clean-ups). On October 23, 1962, the Central Committee of the Communist Party of China approved and forwarded the "Report of the Hunan Provincial Committee of the Communist Party of China on How to Correct the "going it alone wind".

The second stage was socialist education and rectification in the cities and the countryside, to combat the bourgeoisie who were trying to revive it. From late 1962 to early 1963 Chairman Mao went on a tour of the country, and in February the CPC Central Committee held a working conference in Beijing to discuss the "five anti-corruption" campaign in the cities and the socialist education campaign in the countryside. Chairman Mao printed the two reports of the Hunan and Hebei provincial committees on the socialist education campaign and the rectification of the socialist movement, and said, "We must give socialist education a good deal of attention. Socialist education, education of cadres and education of the masses, will be effective as soon as they are grasped."¹³³ In accordance with the deployment of the Central Committee of the Communist Party of China, the central ministries, provinces, municipalities and autonomous regions organised their cadres to "wash their hands and bathe" and carry out campaigns.

From 2 to 12 May 1963, Chairman Mao convened a small meeting in Hangzhou, attended by some of the political members of the Central Bureau and the regional secretaries. The (Draft) on Certain Problems in Current Rural Work (the First Ten Articles) was discussed and formulated. It was stipulated that over 95% of the masses and over 95% of the cadres should be united. It was also stipulated that cadres should participate seriously in collective production work, which was considered to be of fundamental importance to the socialist system.

¹³¹ Lenin: *"Left-Wing Communism": An Infantile Disease*, Selected Works of Lenin (vol. 4). Beijing: People's Publishing House, p. 135.

¹³² Mao Zedong: *'On the People's Democratic Dictatorship'*, Selected Works of Mao Zedong (vol. 4). Beijing: People's Publishing House, p. 1366.

¹³³ *The Chronology of Mao Zedong (1961-1966)*, p. 198.

It can be seen that the socialist education campaign was directed against going it alone in the countryside, as it was a prelude to the restoration of capitalism. The main method of the socialist education movement, however, was the desire to mobilise and organise the poor peasants, to educate the cadres and peasants with socialist persuasion, to allow the masses to educate and liberate themselves in the movement, and to educate the cadres with criticism. Thus, a system against restoration could be set up in the countryside. However, such a policy was bound to go against the grain in many places, given the already serious divisions within the Party line.

2. The Second Ten Articles and the Peach Orchard Experience

In September 1963, the CPC Central Committee held another working meeting to further discuss many specific policies in the light of the problems raised by the local pilot programs. On 14 November 1963, the CPC Central Committee issued a circular on the publication of two documents on the propagation of socialist education campaigns in rural areas, which was distributed to all cities and villages in the country, and the "Four Clean-ups" and "Five Anti" campaigns were launched on a wide scale in cities and villages.

During this process, Wang Guangmei (*wife of Liu Shaoqi – Trans.*) personally stayed in Taoyuan village to 'put it into practice', and wrote the book 'The Taoyuan Experience', which is an extraordinary book. She did not mobilise the masses and grassroots cadres and educate them, as Chairman Mao had said, but left it to the working group to take the lead.

"..... Only when the leaders are determined and the right methods are adopted can the revolutionary situation take shape. As someone in Luwangzhuang summed it up: 'The masses look at the backbone, the backbone looks at the core, the core looks at the working group, and the working group looks at the leadership. It depends on whether the leaders have the determination to make a complete revolution.'"

Under her leadership, she had been cracking down on workers' and peasants' cadres, reversing right and wrong, confusing black and white, and attributing all the problems of the Party's degeneration to its struggle against the five categories of landlords, rich peasants, counter-revolutionaries, bad elements, and rightists, that is, the "five black categories.", to making a big fuss out of people's origins and dragging them through the mud without any basis. It is true that some "dead tigers" had resurfaced after the "three freedoms and one guarantee", but the root of the problem lies in the deterioration of the Party, not in the "dead tigers" and not all "dead tigers" were making waves.

"...I found that there are several categories of cadres: one is a real labourer, as long as he can talk through it and dare to make a self-revolution, such as Guan Jingdong, he belongs to this category. After the conversation, he talked about a lot of things. There is another category: those who come from a good background, who have attended several years of school, who seem to be more pure, but who dare not speak, who speak evasively, and who are obviously controlled by someone, such as Yuan Xiuying and Lu Yanlai.

The third group, when they see us, are full of concern and talk cheekily, saying: "I don't have any big problems, just review and get over it!" They pretended that nothing was wrong, but in fact they were a bit panicked, and the later they got, the more panicked they became. They were very resistant to the "Four Clean-ups", like Wu Chen, the branch secretary, and Zhao Shuchun, the deputy branch secretary.

..... they say they are poor peasants, but they are not peasants at all, nor are they workers. Some of them are doing business in the northeast, and some of them are working as

shopkeepers. They may also have shares. They can speak well, and they all ran back from the siege of Changchun by the PLA.

..... Wasn't it originally said that Wu Chen was from a poor peasant background! No, he was not. His father was a peddler, and he himself was a small trader, selling rags and running single gangs, always eating, whoring and gambling, and mixing with some hooligans. In politics, the "four unclean" were serious, and he always relied on the landlord, the rich peasants, the counter-revolutionaries and the bad elements, and many good jobs and important positions in side jobs, and jobs that earned more work points, were assigned to the landlords, the rich peasants, the counter-revolutionaries and the bad elements.

..... It turns out that Wu Chen still has a lot of say in the branch, and when he speaks, some people consciously and unconsciously follow his example. If people didn't know the situation and came to the branch committee, they would have thought that Wu Chen was still the secretary of the branch. The company's main business is to provide a wide range of services to the public.

..... Wu Chen was actually a Guomindang member who had infiltrated the Communist Party. Until we left, we had not found out that he had any organisational links with the Guomindang, nor had we found out that he had links with reactionary or secret service organisations. However, this possibility cannot be ruled out. The fact that we have not found out does not mean that there is no such possibility."

What she wanted to achieve was to support Guan Jingdong, who had a close personal relationship with her and Liu Shaoqi, and to combat Wu Chen, who was supported by the peasants. In 1958, Guan Jingdong, who was the deputy director of the Fanning County Dongfang High School, became famous in the area for boasting about the 9,300 pounds of sorghum per mu, and was later re-elected by the community as a militia company commander who had no real power to lead production. She also believed that those who were willing to talk to her were good cadres, and those who ignored her were bad cadres.

After Wang Guangmei returned to Taoyuan in September 1964, she set up the "Wu Chen Task Force". Forty-five days of political persecution were inflicted on Wu Chen: Wang Guangmei was in command, using fatigue tactics around the clock, beating and scolding, even using a pistol to force him to bend over, punishing him for standing, and so on. The masses had many opinions about this, and there were also differences within the task force. A cadre from the Fanning County Supervisory Committee was instructed to verify Wu Chen's problems and raised 33 doubts with the task force, and was immediately and mercilessly attacked, saying that he had lost his class position and ordering him to review his position in person several times. The county supervisory committee and the county committee also made a written examination of the matter. Wang Guangmei sent people to the north-east to investigate, and the team members sent to the whole of Changchun found no evidence that Wu Chen had been a policeman or a secret agent, or that he had run a big tobacco shop. However, Wang Guangmei still convicted Wu Chen on the basis of false facts.

Wang Guangmei was afraid that Wu Chen would overturn the case, so she made a special trip to Tangshan in 1964 and told the former head of the Taoyuan working group, "I am worried about Taoyuan, and in the future, over time, the bad elements may be restored, so you must pay attention to this issue, if you forget, if Taoyuan has problems, my report has gone out, and there will be problems." Liu Shaoqi, afraid that Wang Guangmei could not hold down the stage, personally went out and told the Central Supervisory Commission on the issue of the four clean-ups in Fanning: "The Supervisory Commission's approval can only be agreed, not overturned, some of it can be

aggravated, but not mitigated. If so, some people may be wronged, and if they are wronged, let them be wronged for another year or two."

Liu Shaoqi and Wang Guangmei had in mind that the ideal way to carry out a mass movement was for an overwhelming number of elite urban bureaucrats to march into the villages, concentrate their firepower on the rural grassroots cadres and replace them with local power. There were 217 households in the Taoyuan brigade, and the Taoyuan work team consisted of more than 20 people. In several places where Wang Guangmei later stayed, the number of work teams cascaded upwards. In Xincheng County, with a population of 280,000, more than 14,000 people went in work teams. Wang Guangmei stayed in the High Town brigade of 316 households, and there were as many as 86 work team members. This is what Wang Guangmei herself used to call the "human sea tactics".

During Wang Guangmei's stay in Taoyuan, the CPC Central Committee held a working meeting in Beijing from 15 May to 17 June 1964. The meeting emphasised the need to trace the roots of the "four unclear" cadres at the top and to make the campaign deeper and more thorough. After the conference, the CPC Central Committee issued the Draft Regulations on the Organization of the Poor Peasant Associations of the People's Republic of China, proposing to review and correct wrongly classified class labels, with Liu Shaoqi presiding over the revision of the latter ten articles. Bo Yibo drafted instructions on urban socialist education, and set up the "Four Clean-ups" and "Five Anti's" command, with Liu Shaoqi in charge. From June to August, Liu Shaoqi went to different parts of the country to understand the situation of the movement, asking the leading cadres to go down and stay, to trace the roots from above, stressing that one third of the power was not in their hands. The scope of the Four Clean-ups was expanded to include problems in the economic, political, ideological and organisational spheres, and efforts were concentrated on a war of annihilation, etc. On 1 September 1964, Liu Shaoqi drafted the 'Instruction on Forwarding the Summary of the Experience of a Socialist Education Campaign of a Brigade', which formally promoted the 'Taoyuan Experience', introducing the practice of rooting out and linking up, visiting the poor, and carrying out the struggle against the 'enemy'. At the end of 1964, the Political Bureau of the CPC Central Committee took the opportunity to convene the First Secretaries of the Central Bureaus for a working meeting at the first session of the Third National People's Congress.

In this way, the bureaucratic group represented by Liu Shaoqi began the "Four Clean-up Campaigns" in their own way. Through working groups, they replaced the grass-roots authorities in the places they controlled, cracking down on dissidents through severe torture and turning the "mass movement" into a "movement of the masses". Instead of achieving the aim of socialist education, many of the cadres and "dead tigers" supported by the masses were brutally attacked. As a result of their sabotage, the "Four Clean-up Campaigns" did not have the desired effect in most parts of the country, but rather fostered bureaucracy and resulted in a "leftist but rightist" campaign that hit too many people.

3. "The Twenty-three Articles Promulgated"

The problems that emerged from the "Four Clean-ups Campaign" showed that the "capitalists" within the Party had been fully formed, that they were obstructing the continuation of the revolution under the dictatorship of the proletariat, and that they had become de facto recruiters and agents of the bourgeoisie. From December 1964 to January 1965, the disagreement over the Party's line broke out at the enlarged meeting of the Standing Committee of the Political Bureau of the CPC Central Committee.

At the meeting, Liu Shaoqi proposed that the nature of the movement is "the contradiction between the four cleans and the four unclean, and the intersection of the contradictions between inside and

outside the party, the contradiction between the enemy and the people, and the internal contradictions of the people." Mao Zedong pointed out: "How can there be so many intersections? This is a form whose nature is anti-socialism! The focus is on those in power who take the capitalist road." This shows that Mao Zedong has clearly recognized that the main contradiction in today's society is the proletariat and the capitalist roaders inside and outside the party and especially those in power who take the capitalist road in the party.

Unlike Mao Zedong, Liu Shaoqi remained focused on the "dead tigers" and believed that the main conflict was between the landlords, rich peasants, counter-revolutionaries and bad elements combined with the bad cadres, and the masses: "(The bad cadres) are followed by the landlords, rich peasants, counter-revolutionaries and bad elements, or by the four types of elements mixed in. Some of the bad cadres are not very close to the landlords and rich peasants. The rich peasants have infiltrated into the organisation, including rich peasants who have escaped classification as such and have become poor peasants and members of the Communist Party". Mao, on the other hand, pointed out in sharp contrast:

Landlords and rich peasants are the masters backstage. On the stage are the four unclean cadres. Power is held by the four unclean cadre. The poor and lower middle peasants won't be satisfied if you struggle against the landlords and rich peasants only. What is more urgent is what to do with the cadres. The landlords, rich peasants, counter-revolutionaries and bad elements are not in power yet, and moreover, they have been struggled against before. The masses do not care too much for them, but the main thing is that these bad cadres have been riding over their head, and they are so dismally poor. These landlords and rich peasants have already engaged in the distribution of land, and have thus become odious. But the power holders haven't been struggled against, and haven't become odious. He is a power holder; the upper echelons listen to him; he is also given fixed wage points; he is moreover a member of the Communist party." "By catching wolves first and foxes later, we have found the problem. It'd be impossible if we don't start with the power holders."

Mao Zedong also criticized the way in which the Task Force did not rely on the masses, conducted campaigns in a cold and quiet manner, and fought in large groups.

"Xie Fuzhi relied on 5,000 people to build a 6,000-person factory (Shenyang Smelter). Why won't you rely on these 5,000 people instead of relying on your work team's 500 people? I think it is sufficient to have you alone. How could a minister fail to launch a movement with some 5,000 people to depend on? "

"The more you read, the more stupid you become... First, don't read documents, second, don't have too many people, and third, don't take root and make contacts like that.

" In short, we must rely on the masses, not the work teams., why don't you rely on the more than 200,000 people in that county? ... Let the masses do it. If you don't trust the masses, but only trust the work team, it's not good.

"It should be made clear to the masses, that the 'four clean-ups' is to clean-up the cadres, clean-up the minority, not clean-up the members of the community. The big ones should be dealt with, and the small ones should be left under the knife. The worst and most powerful counter-revolutionaries should also be fixed."

Like all previous campaigns, Liu Shaoqi was still eager to determine a proportion of the target of attack to end the campaign: "How big is the target? It may be beneficial to determine a few

percent." Deng Xiaoping also had the same idea, focusing on "What percentage would be beneficial in controlling the target of attack?" The question kept on going around and around. Mao Zedong said:

"The masses know it, just get it to a certain point. You can't squeeze too much toothpaste. There are places where there are only 18 households and there are no lice, so do you have to catch them?"

"Otherwise too many people will be offended I am now somewhat right on this issue, so many landlords, rich peasants, the Guomindang, counter revolution, 'peaceful evolution', classified as 20%, 700 million people, how many people are classified as 20%, I am afraid that a 'left' trend will occur. As a result, too many enemies will be made, to the detriment of the people in the end."

"The four unclean cadres who have embezzled 40 or 50 yuan, or 100 yuan are the majority, first liberate this group, they are the majority! For those who have made mistakes, if they are reasoned with, they will still be revolutionary. The workshop supervisors, section chiefs and team leaders mentioned in that report are all old workers, so if they make mistakes, tell them clearly and let them do their jobs!"

In fact, it can be seen that Liu and Deng were in fact fundamentally opposed to the movement. However, the fundamental aim of the movement was to educate the capitalists, and as they themselves belonged to the capitalists, they certainly did not think in terms of this aim.

Mao also said meaningfully: "Eat more and possess more, this is rather complex! It is primarily people like us who have cars, houses and steam heat, and chauffeurs. I have only 430 *yuan*. I can't afford to hire secretaries, but I must." In fact, it was already pointed out that the top cadres who participated in the work teams were also people who could be transformed and privileged, and these people were also the ones who should be educated. What Mao always wanted was to educate the cadres, especially the top cadres, but Liu Shaoqi, through the work teams, only criticised the grassroots cadres, but not the top cadres and the capitalists among the grassroots cadres. Thus, by this time, the divisions within the Party were irreconcilable and it was in fact a struggle between the proletariat and the bourgeoisie, which could only be resolved by a more violent 'revolution'.¹³⁴

Eventually, in the midst of the sharp struggle, Mao's views were documented, and at the end of December the meeting produced the Summary of Discussions of the National Working Conference convened by the Political Bureau of the CPC Central Committee, which consisted of 17 articles and was immediately issued as a central document. The movement was characterised as a contradiction between socialism and capitalism, and it was unanimously defined as the "four clean-ups" in urban and rural areas: clean-up of politics, clean-up of the economy, clean-up of organisations and clean-up of ideas. On 14 January 1965, the "Some Issues Raised in the Rural Socialist Education Campaign" (23 articles) was drawn up. It was pointed out that most of the cadres were good and relatively good, and that the cadres should be treated in two ways, and that those who made minor mistakes and those who gave a good account should be liberated as soon as possible. It was stipulated that "no excuse should be used to oppose the masses". It was stressed that mysticism was opposed and that beating and all other forms of corporal punishment were strictly forbidden. It was also stipulated that "the four clean-ups should be put into practice in the build-up" and that the campaign should focus on production from start to finish. The focus of the campaign was to rectify those in power in the Party who were following the capitalist road, and it was stressed that the

¹³⁴ For the entire meeting, see The Chronology of Mao Zedong (1961-1966), December 1964-January 1965

campaign should "grasp the platform of class struggle and the platform of struggle between the two roads of socialism and capitalism". This was in fact a correction of the "leftist in form but rightist in fact" problem in the movement, but the problem was not fundamentally solved.

On 15 January, the day after the Central Working Conference, Mao Zedong approved a letter from Chen Zhengren to Bo Yibo on "cadres going into the factories to stay there and work".

"If the managers do not go to the workshop groups to engage in the 'three comradeships' (eating, living and working together) and learn one or several crafts from teachers, they will be in a state of sharp class struggle with the working class for the rest of their lives and will inevitably be beaten down by the working class as bourgeois. If they do not learn the skills, they will remain amateurs for a long time and will not be able to manage well. It is not possible to make people see by their faintness." "The bureaucrats are in sharp opposition to the working class and the poor peasants. These people are bourgeois elements who have become or are becoming bloodsuckers of the workers, how can they know enough? These people are the targets of struggle and revolution, and the socialist movement cannot rely on them. We can only rely on those cadres who have no hatred for the workers and who have a revolutionary spirit."

The issue of the cadres' participation in labour was mentioned here, as well as the confrontation between bureaucrats and workers and peasants. In fact, the resolution of the conflict and the idea of cadres taking part in labour could only be achieved through the Cultural Revolution that was launched later.

4. Criticism of the Ministry of Culture

In addition to the socialist education campaigns in the countryside and the cities, Mao also began to criticise the Ministry of Culture fiercely from 1963 onwards. In November, Mao began to criticise the Ministry of Culture in strong terms.

"Culturally, especially in the theatre, there is a great deal of feudal backwardness and very little socialism. On the stage there are only emperors and generals. The Ministry of Culture is in charge of culture, so it should pay attention to this aspect, check it and correct it seriously. If it does not change its name, it should be renamed the "Department of Emperors, Kings and Generals, Talented and Beautiful People" or the "Department of Foreign Dead People". If it is changed, it is not necessary to change the name. Drive them all down, if they don't go down, they won't be paid."¹³⁵

As we have said before, Mao Zedong wanted literature and the arts as a front to be part of the revolution, to build a new culture, the culture of the proletariat. However, the Ministry of Culture did not lead the work in this direction, and bureaucratic, bourgeois and even feudal ideas were still strong in the arts and culture. The cultural sector rarely created images of workers, peasants and soldiers, and rarely used revolutionary realism and revolutionary romanticism to serve the continued revolution under the dictatorship of the proletariat. Instead, it often propagated things that were contrary to the proletariat's own liberation and a culture that was contrary to the spirit of socialism. On 12 December, he criticised this problem more systematically:

"Problems abound in all forms of art such as the opera, ballads, music and fine arts, the dance, the cinema, poetry and literature, and the people involved are numerous; in many

¹³⁵ See *The Chronology of Mao Zedong (1961-1966)*, November 1963.

departments very little has been achieved so far in socialist transformation. The 'dead' still dominate in many departments. What has been achieved in the cinema, new poetry, folk songs, the fine arts, and the novel should not be underestimated, but there, too, quite a few problems exist. As for such departments as the opera, the problems are even more serious. The social and economic base has changed, but the arts as part of the superstructure, which serves this base, still remains a serious problem. Hence we should proceed with investigation and study and attend to this matter in earnest. Isn't it absurd that many communists are enthusiastic about promoting feudal and capitalist art, but not socialist art?"¹³⁶

Thus, in January 1964, the Central Government began a rectification of the literary and artistic circles. The rectification lasted for nearly a month, and the Central Propaganda Department produced a report on the rectification of the situation in the All-China Federation of Literary and Art Circles and the various associations. When Chairman Mao Zedong received the draft of this report, he immediately wrote another note on it:

"The majority of these associations and the publications they hold (it is said that there are a few good ones), basically (but not all people) have not implemented the party's policies for fifteen years, have become officials and masters, and do not approach workers, peasants and soldiers. It does not reflect the revolution and construction of socialism. In recent years, it has fallen to the brink of revisionism. If it is not seriously reformed, it is bound to become a group like the Hungarian Petofi Club one day in the future."¹³⁷

With this instruction, Mao further linked the problems of the literary and artistic circles to the danger of capitalist restoration. The literary and artistic circles, and by extension the intellectual circles, were in fact hard hit by bourgeois ideology. Many of them thought they were great and should be officials and lords, and many of them even had liberal ideas due to the small production nature of their work. During the restoration of capitalism in Eastern Europe and the Soviet Union, intellectuals played a very important role. In China too, this problem could not go unanswered. If we look at the shameless distortion of facts and the disgusting faces of intellectuals after the reform and opening up, we can see the importance of socialist education for intellectuals.

Of course, as with the socialist education movement, the bureaucratic clique immediately brought the movement under its own control. The central government set up a five-member group, headed by Peng Zhen, which later became the five-member group at the beginning of the Cultural Revolution. They actually did their best to separate the literary criticism from the political issues, and thus could not possibly get to the heart of the matter. The revolution against the literary and artistic circles was the prelude to the Cultural Revolution.

5. The Sino-Soviet Debate

Just as the class struggle began within China, the struggle against Soviet revisionism also began on a large scale. On 14 July 1963, the Soviet Union published an open letter to the Soviet Party organisations at all levels and to all Communists, putting the blame for the Sino-Soviet disagreement on China. After this, relations between China and the Soviet Union broke down and the world

¹³⁶ See *The Chronology of Mao Zedong (1961-1966)*, December 1963

¹³⁷ See *The Chronology of Mao Zedong (1961-1966)*, December 1963

communist movement became divided. China became the centre of the world revolution in the 1960s and 1970s, and the centre of the world people's resistance to imperialist oppression.

Chapter 2 The Great Proletarian Cultural Revolution

Section I. Literary Criticism Unveils the Prologue, White Dictatorship Creates Terror

I. Returning to Jinggang Mountain¹³⁸

On 16 March 1965, Mao Zedong travelled from Beijing to Wuchang and stayed at Meiling, leaving Wuhan 44 days later for Changsha, from where he set off again on 21 May via Zhuzhou, Liling, Youxian, Chaling, Lianhua, Yongxin and Ninggang, following the path of the 1927 Autumn Harvest Uprising.

Mao Zedong said to Zhang Pinghua, who was accompanying him on the train:

"The question is not who is right, it is whether to contract production to the household or to collectivise agriculture. It is a question of whether to take the road of socialism or the road of capitalism. If the proletariat does not strengthen its leadership and do its work, it will not be able to consolidate the collective economy and may go down the sloping road of capitalism. In the short term, the production to the household may increase some food, but in the long term, it will polarise society and the bourgeoisie will rise again and exploit the working people."

"Objectively it's class struggle. Now some people don't want to admit it. When I spoke to some comrades, some were shocked to hear that classes still exist in our country. The bourgeoisie has never admitted the existence of classes, saying that the class struggle is a fabrication of Marx. Sun Yat-sen also did not talk about classes, saying only that there were big and small poor people. Are there any classes? To us communists, this is a fundamental question. The history of civilisation is the history of class struggle. Now that the proletariat is in power, the bourgeoisie will not be restored. The bourgeoisie is in power and will not allow the proletariat to rise up, either you oppress me or I deprive you. But the form is different. The bourgeoisie does not admit it, but the substance is the same. The first lesson of our Communist Party is class struggle, bloody class struggle."

"At the end of 1906, uprisings broke out in Pingxiang, Liuyang and Liling on this railway. It was so loud that it involved a dozen counties around the area, Hengshan, Pingjiang, Wanzai, Yichun, Xiushui, tens of thousands of people, and even the small mountain valley of Shaoshan was shaken, and my father went back home halfway through his small business. Unfortunately, the uprising failed in less than a month. The trains brought in the Qing army, who seized the rebels and cut their hearts out, killing them as if they were rice. One of the leaders of the uprising was Liu Daoyi, a member of the Chinese United League (*Sun Yat-sen's Tongmenhui – Trans.*) in his twenties, who was later betrayed and died rather than give in, his head was chopped off four times before it fell. This is what I remember most from my childhood, that the government forced the people to rebel."

Once he reached Jinggangshan, Mao said:

"As soon as I returned to Jinggang Mountain, I saw in my mind their young faces, all of them alive and well. They were good comrades with strong beliefs and a spirit of sacrifice, and they were only in their twenties when they died!"

¹³⁸ Ma Shexiang, *Prelude: Mao Zedong's Return to Jinggang Mountain in 1965*. Beijing: Contemporary China Press, 1st edition, October 2006, p. 151

At that time the Chairman took a puff of his cigarette and continued:

"The Jinggang Mountain struggle was, in the final analysis, a class struggle, a life and death struggle between you and me, a movement of young people with guns. The Jinggangshan struggle, which raised the banner of the May Fourth Movement against imperialism and feudalism and further opposed exploitation and oppression, was a continuation and development of the May Fourth Youth Movement under the leadership of the Chinese Communist Party. The struggle at Jinggang Mountain was great, and the young people who died for the revolution were great."

"When I think of the sacrifice of so many good young people and comrades in establishing the Red regime, I worry about the regime today. The Soviet regime has changed colour, and there is a privileged and bureaucratic group within the Soviet Party, which holds the key departments of the state and reaps a lot of political and economic benefits for individuals, while ordinary party members and ordinary people have no rights. They didn't listen to your opinions, and they persecuted them."

"There is also a danger in our country. The bureaucratic style has been countered many times, but it still exists, even more seriously, and bureaucratic thinking is also more serious. Is there anything about fighting persecution or faking public office? You know more about such things than I do. But to report good news but not bad news is also a bureaucratic and feudal thing. Being an official is a privilege, a political necessity and a human connection. The Soviet Union is a lesson. I am very worried about the emergence of revisionism among senior cadres. Is there a system to control them? Of course, as stated in Article 23, with the vast majority of cadres here, including senior Party cadres, it is still a matter of awareness and education. How do we educate and raise them?"

"Nowadays, the specialisation of children of senior cadres has become normalised. My nephew, Mao Yuanxin, studied at the Harbin Military Engineering School, where there were more children of senior cadres, some of whom were guaranteed admission. When Mao Yuanxin graduated from high school, he was also guaranteed a place in the Harbin Military Industry, but I didn't approve of it, so he took the exam again. He got into Tsinghua, and was transferred the following year. Chen Gung was still alive at that time and was the headmaster. When they went home on leave, the Heilongjiang Provincial Party Committee invited the senior cadres of the Harbin Military Industry to dinner, but not the children of workers and peasants. What does this tell us? This is different from what we advocated in the Jinggang Mountains. Now that conditions are better and the Communist Party is in power, should we inherit the good practices of the past? How should we inherit it?"

Mao's words were like a spring trickling down from the Huangyangjie, or a waterfall from the Dragon Pool in Jinggang Mountain. (*Huangyangjie is cloud-covered mountainous terrain located 17 kilometres northwest of Ciping, the centre of the revolutionary base area in Jiangxi . On August 30, 1928, the famous Huangyangjie battle took place here between the Red Army and the Guomindang's forces. In May 1965, Mao Zedong referred to Huangyangjie in the poem "Reascending Jinggangshan" - Trans.*) They were amazed by Mao's extraordinary memory, but the profoundness of his ideas was too much for them to appreciate. Perhaps Mao Zedong sensed something and stopped talking, took a sip of water, changed the subject and said:

"Among the martyrs who died for the Jinggang Mountain base, there were also martyrs who were wrongly killed, such as Wan Xixian, Yuan Wencai and Wang Zuo. Have you thought about this matter after so many years?"

At the Jinggangshan Hotel on 25 May, Mao's thoughts leapt forward along the lines of the history of that year. The old man (*the Chinese expression 'laorenjia' is respectful – Trans*) pointedly said:

"Sometimes the enemy is too strong, sometimes our judgement is wrong. You can't simply judge the route by one or two setbacks. When we were in Jinggang Mountain, we did not know how to fight at first, but later we used the 16-character phrase more and more, and the more we used it the more it came to life."

"In times of war, it is easier to test whether the line is correct or not. Wang Ming said his line was correct and the whole base area was lost! Zhang Guotao said his line was correct, but after 80,000 people crossed the grasslands twice, the large group was beaten to pieces."

"It is much more difficult to test whether the line is correct in peacetime. This victory and defeat depends not only on what achievements and mistakes have been made, but also on what banner has been raised, whether it is the socialist road or the capitalist road. Zhang Guotao's line was wrong. For a certain period of time, it was more powerful than ours, but in the long run, it would not work. This may also be the case if China takes the capitalist road. The Party is not yet fully aware of this problem. We have repeatedly said that there is still a danger of China taking the capitalist road. The Soviet Union is already in the grip of revisionism."

On that day, Chairman Mao repeatedly stressed these issues, and in those days the newspapers paid more attention to propagating the issue of "anti-revisionism and prevention of revisionism". Mao also asked them if they had read the Ninth Review (*On Khrushchev's Phoney Communism and its Historical Lessons for the World*) carefully. He had rewritten a passage in this article about the "privileged class in the Soviet Union", which gave an objective understanding of Soviet revisionism. When you come down from the mountain, look for it and read it, then you will understand why China has to fight against revisionism and prevent it. The Chairman said that the text was found on the mountain. The words that Mao Zedong referred to are in this passage:

"Through this series of changes the Soviet privileged stratum has gained control of the Party, the government and other important organizations.

"The members of this privileged stratum have converted the function of serving the masses into the privilege of dominating them. They are abusing their powers over the means of production and of livelihood for the private benefit of their small clique.

"The members of this privileged stratum appropriate the fruits of the Soviet people's labour and pocket incomes that are dozens or even a hundred times those of the average Soviet worker and peasant. They not only secure high incomes in the form of high salaries, high awards, high royalties and a great variety of personal subsidies, but also use their privileged position to appropriate public property by graft and bribery. Completely divorced from the working people of the Soviet Union, they live the parasitical and decadent life of the bourgeoisie.

"The members of this privileged stratum have become utterly degenerate ideologically, have completely departed from the revolutionary traditions of the Bolshevik Party and discarded the lofty ideals of the Soviet working class. They are opposed to Marxism-Leninism and

socialism. They betray the revolution and forbid others to make revolution. Their sole concern is to consolidate their economic position and political rule. All their activities revolve around the private interests of their own privileged stratum."

The words were very sharp and penetrating. At that time, several of us felt that such things as the Soviet Union were far away from our country and from the Communist Party of China. I remember that on the afternoon of 25 May, Wang Dongxing said impassionedly that the whole Party and the whole country would not agree to anyone going down the capitalist road in our country.

At this point, Mao Zedong took his fifth cigarette and said slowly:

"The capitalist system has developed for hundreds of years and is much more mature than the socialist system, but it is not possible for China to follow the capitalist path. China has a large population, many ethnic groups, a long history of feudalism, uneven geographical development, and in recent times, it has been subjected to imperialism, which has made it difficult for the people to live and is actually divided. In such conditions, we can only be a vassal of others if we engage in capitalism. The United States is both co-operative and exclusive with the capitalist countries of Western Europe. How can it be possible for China, which is lagging behind, to develop independently and rise to the top? In the past, the capitalist road did not work for China, and I think it still does not work today. To do so would require us to sacrifice the fundamental interests of the working people, which would run counter to the aims of the Communist Party and the pursuit of Jinggang Mountain. Class and ethnic conflicts within the country will intensify, and if we don't get it right, we will be exploited by the enemy. It would be very dangerous to be divided. Isn't India divided?"

"We have to feel out the Chinese socialist road, avoid the capitalist road and prevent revisionism, and inherit and carry forward some of the good systems and practices of Jinggang Mountain."

Several people in the audience nodded their heads frequently.

Mao Zedong stood up, moved his shoulders and sat down again. He asked, "What was the good system and style of Jinggangshan?"

Several people said in unison: hard work.

Mao Zedong smiled, lovingly and helplessly. Wang Zhuochao said that Mao's smile was like a teacher hearing a student's answer and feeling that the text was not relevant. He told us to think again, saying that hard struggle was only one aspect, just one point, and that two points were still missing, and that we should think about the system. Wang Dongxing slapped his forehead and said, "The branch is built on the company."

Chairman Mao nodded and continued:

"At Jinggang Mountain, we had worked out a good system and style, but what is being advocated now is hard work, and what is being emphasized is the building of branches on companies. What is neglected is the soldiers' committee. As we have taken power, the Party is now organised in all walks of life and has become a leading body. The Party has been strengthened. However, we are much less able to consciously accept the supervision of the masses, to practise political democracy and to ensure that our Party does not become detached from the masses than the soldiers' committees were in Jinggang Mountain.

National political democracy had not yet developed into a system or an effective method. The soldiers' committee in Jinggang Mountain was very useful."

On the afternoon of 25 May 1965, in Room 115 of the Jinggangshan Hotel, Mao Zedong brought the role of the Jinggangshan Soldiers' Committee to a very important place, and the old man reverted to the words he had written in his article "The Struggle in Jinggang Mountains": "China needs democracy not only for the people but also for the army, and a democratic system for the army will be an important weapon in destroying the feudal mercenary army." He said that the whole country needed political democracy.

At that time, Liu Junxiu said in a tone of inquiry: Now there are trade unions in factories, and there are poor and lower-middle peasant associations in the countryside. Is this an organization similar to the Soldiers Committee?

Chairman Mao said.

"The two are not the same. The soldiers' committee can supervise company commanders, battalion commanders and chiefs; it has great power. Now can the trade unions in factories really supervise factory directors and secretaries? And who will supervise our municipal and provincial party secretaries? Who will supervise the central leadership? What if there is revisionism in the centre?"

"Our system, our political and ideological education is somewhat imperfect, especially in the area of the superstructure."

On that day, Chairman Mao said:

"The reason why this army of ours has become a new type of army is that while we transform the old China, we also transform ourselves. The human mind can be transformed under certain conditions. Yuan Wencai and Wang Zuo on Jinggang Mountain were not transformed and contributed to the Jinggang Mountain base. Many cadres in the Red Army were former officers who received a lot of foreign currency a month, but later they willingly joined the soldiers. The key is to have a correct political line so that the officers and soldiers can be united."

"A system of high salaries for a few must never be introduced. The gap between the personal income of workers in the Party, the State, enterprises and people's communes and that of the people should be narrowed reasonably and gradually, but not widened. All workers should be prevented from using their position to enjoy any privileges. It was the Soviet revisionists who had a privileged class that turned Lenin's party into a revisionist party and changed the colour of the country. We cannot be like them. The forthcoming abolition of military ranks is an effort. There must be a good system of how to prevent a privileged class, and we must inherit the good system and style of Jinggang Mountain. The spirit of Jinggangshan is not only about hard work, but also about soldiers' committees and branches built on companies. They are the three fulcrums of the revolutionary spirit of Jinggangshan."

In the 1960s, Mao Zedong was worried about the overall state of the superstructure in China, criticising the health care system for cadres, which did not serve the workers, peasants and soldiers, but only a few, and worrying about the lack of medical care and medicine in the countryside. Against this background, some provinces and the Shanghai Municipal Committee sent out travelling medical teams to the grassroots and the countryside to provide medical treatment and medicine for workers and poor peasants. The Zhongshan Hospital affiliated to Shanghai First Medical College and the Sixth

People's Hospital sent a roving medical team with the directors and deputy directors of each department as the main members. A relatively simple method for the treatment of frequently-occurring diseases in rural women had been developed, which had been well received by the local community and has also become the main content of the Shanghai Circuit Medical Report. After Mao Zedong learned about these circumstances, he probably thought of his return to Jinggang Mountain the previous month and the role of the Red Army hospitals in the struggle to build the base areas. At first the Red Army Hospital was located in Maoping, but later it was moved to Xiaojing, where it always insisted on providing free medical treatment to the people. In those days, medicine was relatively scarce and aspirin was a precious commodity. If there was medicine available, as long as the people needed it, they would be treated first, followed by the soldiers and party members, and finally by the party cadres. The soldiers refused to agree and left the medicine to the cadres, humbling each other and bringing tears to our eyes. Now that the Communist Party is in power, how can it forget the people, the workers and peasants, and how can it forget the tradition of Jinggang Mountain? On 26 June, Mao Zedong was moved to say the following words –

“Tell the Ministry of Health that it is only working for 15% of the country's population and that the lords are the main part of that 15%. The vast majority of peasants have no access to health care, no hospitals and no medicine. The Ministry of Health is not the people's Ministry of Health, it should be changed to the Ministry of Urban Health, or the Ministry of Lords' Health, or the Ministry of Urban Lords' Health.

“Medical education needs to be reformed and there is no need to read so much at all. How many years did Hua Tuo study? How many years did Li Shizhen study in the Ming Dynasty? There is no need for high school or junior high school students in medical education; three years of study for high school graduates is enough. The main focus was on learning and improving in practice. Even if such a doctor is not very good, it is better than a fraudulent witch doctor, and the countryside can afford to support him. The more books you read, the more stupid you are. The current method of examination and treatment in hospitals is not at all in line with the way doctors are trained in the countryside and is intended for the cities. But more than 500 million people in China are farmers.

“Detachment from the masses. A lot of human and material resources are put into the study of high, deep and difficult diseases, the so-called cutting edge. What can be done to prevent some common diseases, some diseases that are prevalent? How to improve treatment? It doesn't matter if there is little power to put it in place. It is not that cutting-edge problems should be left alone, only that a small amount of human and material resources should be devoted to them, while a large amount of human and material resources should be devoted to the problems most needed by the public.

“The urban hospitals were supposed to leave behind a few doctors who were not very competent within a year or two of graduating, and the rest went to the countryside. The 'Four Clean-ups' had been completed by 1964, and were basically over, but the medical and health work in the countryside was not over, so the focus should be on the countryside.”

This passage would become known a year later as the glorious "June 26th Instruction".

During his lifetime, Mao Zedong said this to his head nurse, Wu Xujun, who went back to Jinggang Mountain with him, and to his own relatives:

"I have raised the main issues many times, but they cannot accept them and there is a lot of resistance. They may not listen to my words, but it is not for me personally, it is for the

future of this country, this party, the question of whether to change colour and take the road to socialism in the future. I am very worried about who I can trust with this class. I am still alive, and this is what they are doing! If I follow their approach, the energy that many martyrs have put in their lives will have gone down the drain. I have no selfishness, I think of the suffering of the Chinese people, who wanted to follow the path of socialism. How many people died building the New China? Who has seriously thought about it? I did think about this."

As can be seen, Mao Zedong's return to Jinggang Mountain came at a time when differences within the Party had, by stages, become irreconcilable. The "Four Clean-ups" campaign was a moderate attempt to resolve the line struggle, but it was not as effective as it should have been, given the obstruction of the bureaucrats. This was exactly what Mao Zedong was thinking about: whether or not to engage in a fiercer struggle for the line, and whether or not to advance the continuing revolution under the dictatorship of the proletariat alongside the bureaucratic struggle. Returning to Jinggangshan was to rouse support for this revolution which he did not know whether he would win or lose. However, despite the risks facing the revolution, when we think of the martyrs who died on Jinggang Mountain and, by extension, the 20 million martyrs who died for the Chinese revolution, should we let their blood be spilled in vain? Did they not fight in blood, climbing snowy mountains and crossing grasslands, and fighting hard for the future of China's poor people? Seeing that the gains of the Chinese revolution were about to be stolen by the bureaucrats, that the people's kingdom might be restored, and that the workers and peasants might "suffer twice from eating bitterness and enduring hardship", we had to see the revolution through to the end, even if it was the most difficult and dangerous.

2. From "Review of the New Historical Drama <Hai Rui Dismissed from Office>" to "The Summary"

On 10 November 1965, Yao Wenyuan fired the first shot of this great revolution when he published 'Review of the New Historical Drama' in Shanghai's Wen Hui Bao.

"..... In this historical play, Comrade Wu Han makes a perfect and noble character of Hai Rui was portrayed as "a person who had the people in mind in every place" and "was a saviour of the oppressed, bullied, and wronged people."⁵ In his person, you simply cannot find any shortcoming. It seems that he is the ideal character of the author. He not merely was the "saviour" of the poor peasants in the Ming Dynasty, but is also an example for the Chinese people and cadres of the socialist era to learn from.

.....In this play, only Hai Rui is the hero. The peasants can only air their grievances to their lord, beg "their lord to make decisions in their favour," and entrust their own destinies to the "Honourable Hai." In order to make the image of Hai Rui stand out against all other feudal officials, all the principal officials in the play are portrayed as bad characters. Hai Rui's wife and family dependents are wise people who want to protect themselves, and only his mother backs him up. Hai Rui goes it alone in making a great economic and political revolution.

...all peasants are portrayed as a passive lot devoid of any spirit for revolutionary struggle. Their sole role is to kneel before the "Honourable Hai," beseech him to redress their grievances, and look upon the "honest, incorrupt official" as their saviour.

Obviously, as the author of the Dismissal of Hai Rui sees it, the motive force for propelling history forward is not the class struggle but "honest, incorrupt officials." There is no need for the masses to rise and liberate themselves, for with the blessings of an "honest, incorrupt official," they can promptly lead "a good life."

In this play, the "honest, incorrupt officials," law, and courts—which are the tools of the dictatorship of the landlord class—are all prettified as things which transcend class and their existence is divorced from and independent of the dictatorship of the landlord class. The play publicizes that there is no need for the oppressed people to make revolution, to go through any serious struggle, and to smash the state machinery. Provided they bow and kowtow to the "honest, incorrupt officials" and abide by the "law" of the feudal dynasty, they can wipe out the corrupt officials in one stroke and "lead a good life."

Here, Yao Wenyuan mainly criticised two issues, one being Wu Han's erasure of the class attributes of the state, and the other being Wu Han's preaching that the people should wait for a "saviour", which in itself was inconsistent with the Marxist view that the proletariat should liberate itself. This was also a major difference between Mao and Liu Shaoqi, and the main contradiction of the "Four Clean-ups" movement.

With the bureaucratic clique already in place, it was necessary to inspire, mobilise and organise the masses to criticise those in power within the Party who were following the capitalist road, rather than relying on the bureaucrats to campaign for the masses. Only the struggle of the masses can prevent the restoration of capitalism and promote the continuation of the socialist revolution. In contrast, *Hai Rui Dismissed from Office* preaches that the officials are the masters of the people, erasing the people's initiative and the fact that only the people can liberate themselves, which is both historically incorrect and contrary to the direction of the continuing revolution under the dictatorship of the proletariat.

The criticism of this issue was first of all to shake the whole literary community of non-proletarian-minded people and, more importantly, to preach that the masses must liberate themselves and not rely on bureaucrats, and that only by raising their consciousness and gradually taking power under the leadership of the representatives of the proletarian class in the struggle can they win the struggle, prevent restoration and continue to advance the transformation of society.

Thus it was this article that fired the first shots of the Great Proletarian Cultural Revolution and opened the door to this great moment in world history. On 4 February 1966, Peng Zhen, the mayor of Beijing, as head of the five-member Cultural Revolution Group, drew up the "*Report of the Five-member Cultural Revolution Group on the Current Academic Discussions*", or the "*Outline of the February Revolution*". The February Outline, approved by Liu Shaoqi, became the platform for this literary and artistic criticism campaign. Peng Zhen and other bureaucrats wanted to restrict the campaign to academic criticism without getting involved in political issues, and soon leaders from all over joined in the criticism campaign.

However, this campaign gradually revealed itself to be different from the previous one. It was also in February that Jiang Qing delivered a speech at a literary and artistic symposium in Shanghai. On this basis, it was revised by Chen Boda, Zhang Chunqiao and others, reviewed three times by Mao Zedong and approved by the central government on 10 April. The Summary (The full title of the document was *Summary of the Forum on the Work in Literature and Art in the Armed Forces with which Comrade Lin Biao Entrusted Comrade Chiang Ching – Trans.*) said:

"In fact, in both stages of our revolution, i.e. the new democratic stage and the socialist stage, there was a struggle between two classes and two lines on the cultural front, i.e. the struggle between the proletariat and the bourgeoisie for leadership on the cultural front. In the history of our Party, the struggle against "left" and "right" opportunism has also included the struggle between the two lines on the cultural front."

"In the fifteen years since the founding of the country, the literary and artistic circles our politics have been dictated to by a black line of anti-Party and anti-socialism opposed to Chairman Mao's thought, a black line that is a combination of bourgeois literary and artistic thought, modern revisionist literary and artistic thought and the so-called literature of the thirties. Under the influence or control of this counter-current of bourgeois and modern revisionist literary thought, there have been some good or basically good works that really glorify the heroic figures of workers, peasants and soldiers and serve them over the past ten years or so, but there are not many of them; many of them are works in an intermediate state; and some are anti-socialist poisonous weeds. We must, in accordance with the instructions of the Party Central Committee, resolutely carry out a socialist revolution on the cultural front and completely eliminate this black line. After this black line is eliminated, there will be future black lines, which will have to be fought again. Therefore, this is an arduous, complex and long-term struggle that will take decades or even centuries of hard work."

"In the last three years, a new situation has emerged in the Socialist Cultural Revolution, most notably the rise of revolutionary modern Peking opera. Under the leadership of the Central Committee of the Party, the literary workers engaged in the reform of Peking Opera, using Marxism-Leninism and Mao Zedong Thought as weapons, launched a heroic and tenacious attack on the feudal class, the bourgeoisie and modern revisionist literature and art. In the sharpest and most stubborn fortress of Peking Opera, a great revolution in both ideology and form has been made, and has led to revolutionary changes taking place the literary and art circles. The revolutionary modern Peking opera, The Legend of the Red Lantern, Shajiabang, Taking Tiger Mountain by Strategy, and Raid on the White Tiger Regiment, as well as the ballet The Red Detachment of Women, the symphonic music Shajiabang and the clay sculpture Rent Collection Courtyard, have been approved by the masses of workers, peasants and soldiers and have been extremely popular among audiences at home and abroad. This is an initiative that will have a profound impact on the socialist cultural revolution. It is powerful proof that the most stubborn fortress of Peking opera can be broken down and revolutionised, and that foreign classical art forms such as ballet, symphony and sculpture can also be adapted for our use. Some people say that revolutionary modern Peking Opera has lost the tradition and the basic skills of Peking Opera. The truth is that revolutionary modern Peking Opera is a critical inheritance of the tradition of Peking opera, a genuine push for the new. It is not that the basic skills of Peking Opera have been lost, but that they are no longer sufficient, and those that cannot express the new life should and must be lost. But in order to express the new life, it is urgent for us to refine and create from life, to gradually develop and enrich the basic skills of Peking Opera."

"Another outstanding representative of the socialist cultural revolution in the past three years has been the extensive mass activities of the workers, peasants and soldiers on the ideological, literary and artistic fronts. From the masses of workers, peasants and soldiers, there have been many excellent philosophical writings which are good at expressing Mao

Zedong's Thought from a practical point of view; at the same time, there have also been many excellent literary and artistic works which glorify the great victory of our socialist revolution, the Great Leap Forward on all fronts of socialist construction, our new heroes and our great Party, its leaders and the wise leadership of other comrades. In particular, the vast number of poems published by workers, peasants and soldiers on wall posters and blackboards carved out a completely new era in both content and form."

"We must also set a new standard, a new standard of socialism and a different standard of the proletariat. We must strive to portray heroic figures of workers, peasants and soldiers, which is the fundamental task of socialist literature and art. Only when we have such models and successful experience in this area can we be convincing, can we consolidate our position and defeat the conservative stick."

"However, to produce a good model is not an easy task. We must despise it strategically but attach importance to it tactically. Comrades who are responsible for the creation of a good work must not adopt a paternalistic attitude and must not take it lightly, but must share the hardships of the creator and really work hard. We must get hold of first-hand materials as much as possible, and second-hand materials when this is not possible. We must not be afraid of failure or making mistakes. We must allow failure and mistakes to be made, and we must also allow mistakes to be corrected. We must rely on the masses, come from the masses and go to the masses, and after a long period of repeated practice, strive for perfection in order to achieve the unity of revolutionary political content and the best possible artistic form. In practice, we should sum up our experience and gradually master the laws of the various arts. Without this, it will be impossible to produce good models."

"In the work of literature and the arts, both the leaders and the creative staff must practise the Party's democratic centralism, advocate "the voice of the group" and oppose "one voice", and take the path of the masses. "

"We should advocate revolutionary and fighting mass literary criticism, break the monopoly of a few so-called "literary critics" (i.e. those who are wrongly or weakly oriented) on literary criticism, put the weapons of literary criticism in the hands of the masses of workers, peasants and soldiers, and bring together specialist critics and mass critics."

"The struggle against foreign revisionism in literature and art must not be confined to catching minor characters like Grigori Chukhraj (*Chukhraj was a Soviet Ukrainian film director and screen-writer – Trans.*)."

"In creative methods, a combination of revolutionary realism and revolutionary romanticism must be adopted, not bourgeois critical realism and bourgeois romanticism."

"Re-educate the literary cadres and re-organise the literary ranks."

The Summary not only criticised the erroneous line of literary creation, but also objectively analysed the gains and losses of the literary scene since the beginning of the New China, and considered that the dross should be removed and the essence taken from the various genres at home and abroad, and at the same time put forward the idea of innovation and creation of models on the basis of criticism and absorption, which were the right direction for the literary revolution. After the reform, the bureaucrats and their lackeys distorted the interpretation of this document and attacked it viciously, which shows their sinister intentions. Of course, in order to launch the Cultural Revolution, it was necessary to gain the support of the army, so Mao adopted the line of enlisting Lin Biao, as

reflected in the title and content of the Summary. The army, marginalised by economic construction, had been on the side of support at the beginning of the Cultural Revolution, but with the fall of the common enemy, the army bureaucrats were increasingly on the opposite side of the proletariat.

From late 1965 to early 1966, the Cultural Revolution was still mainly a prelude to the struggle in the central government. The enlarged meeting of the Politburo from 4 May to 26 May was the focus of this struggle, at which the "Peng Luo Lu and Yang" (Peng Zhen, Luo Ruiqing, Lu Dingyi and Yang Shangkun) "counter-revolutionary group" was formally proposed. Peng Zhen and others wanted to restrict the criticism of Hai Rui's dismissal to the realm of literary criticism and demanded that the movement must be led by the Party Committee, thus causing serious disagreements with Jiang Qing and Chen Boda; fearing that the powers-that-be would seek the support of the military after their position and interests were seriously threatened, Luo Ruiqing, who was close to the powers-that-be, was overthrown, leaving Lin Biao in control of the military. Lu Dingyi was the head of the Central Propaganda Department, but was in fact the leader of the wrong cultural line, and in order to carry out ideological changes, the Central Propaganda Department, which controlled the propaganda machine, had to be changed; and Yang Shangkun was put under investigation for his involvement in placing a wiretap on Mao Zedong. The Cultural Revolution was launched as the struggle at the centre and ended with the revolutionary faction's phased victory.

3. From the "May 16 Circular" to the "50 Days of White Terror"

On 16 May, the expanded meeting of the Politburo adopted the May 16 Circular. It announced the withdrawal of the original February Outline and the abolition of the "five-member Leading Group of the Cultural Revolution" headed by Peng Zhen, and the establishment of the Cultural Revolution Group of the CPC Central Committee. Chen Boda was the head of the group, Jiang Qing, Wang Renzhong, Liu Zhijian and Zhang Chunqiao were the vice-heads, Kang Sheng was the advisor (later Tao Zhu was also the advisor), and the group consisted of Xie Bengzhong, Yin Da, Wang Li, Guan Feng, Qi Benyu, Mu Xin and Yao Wenyuan. The general line of the Cultural Revolution was first specified in the Circular:

“...thoroughly criticize and repudiate the reactionary bourgeois ideas in the sphere of academic work, education, journalism, literature and art, and publishing, and seize the leadership in these cultural spheres. To achieve this, it is necessary at the same time to criticize and repudiate those representatives of the bourgeoisie who have sneaked into the party, the government, the army, and all spheres of culture, to clear them out or transfer some of them to other positions. Above all, we must not entrust these people with the work of leading the Cultural Revolution. In fact many of them have done and are still doing such work, and this is extremely dangerous.

“Those representatives of the bourgeoisie who have sneaked into the party, the government, the army, and various cultural circles are a bunch of counter-revolutionary revisionists. Once conditions are ripe, they will seize political power and turn the dictatorship of the proletariat into a dictatorship of the bourgeoisie. Some of them we have already seen thorough, others we have not. Some are still trusted by us and are being trained as our successors, persons like Khrushchev, for example, who are still nestling beside us. Party committees at all levels must pay full attention to this matter.”

It is clearly stated here that the Cultural Revolution was not just a cultural revolution. In fact, the ideological revolution was only an entry point. The Cultural Revolution was basically about class struggle, criticising those in power within the Party who followed the capitalist line, and thus

promoting a continuing revolution under the dictatorship of the proletariat in the economic, political and cultural spheres. The Cultural Revolution soon received a social response, the first of which was from Nie Yuanzi of Peking University.

On 25 May, Nie Yuanzi and others from the philosophy department of Peking University put up a large poster, "What are Song Shuo, Lu Ping and Peng Peiyun doing in the Cultural Revolution?" The poster criticised the leadership of the Peking University Party Committee by name for restricting the development of the movement. In fact, during the Socialist Education Movement, Peking University and the Working Group had tried to suppress those who gave their opinions to the Party Committee until the May 16 Circular was issued, when Nie Yuanzi and others were inspired to put up this large-character poster.¹³⁹ As you can imagine, such "bold and unrestrained" statements were met with fierce criticism from the Party Committee of Peking University. Nie Yuanzi was branded as an "accomplice of Deng Tuo", a "traitor" and a "villain who has seriously violated Party discipline and national law". However, Nie Yuanzi's large-character poster quickly gained the support of the Central Cultural Revolution Group, and Mao Zedong called it "the first Marxist-Leninist large-character poster in the country".



On 1 June, after Deng Tuo and others had been defeated and the People's Daily was directly controlled by the Central Cultural Revolution Group, the first article was published: Chen Boda's "Sweep Away Monsters".

"The proletarian cultural revolution is to completely destroy all the old ideas, cultures, customs and habits that have poisoned the people for thousands of years and to create and form new proletarian ideas, cultures, customs and habits among the masses. This is an unprecedented great undertaking in the history of mankind to change customs and traditions. All the legacy, customs and habits of the feudal class and the bourgeoisie must be thoroughly criticised from a proletarian world view. The bourgeois enlightenment figures always look down on the masses, treat them as fools and see themselves as the natural rulers of the people. Contrary to them, proletarian ideologists and revolutionaries serve the people wholeheartedly, aiming to arouse their consciousness and fight for the interests of the greatest number of people."

¹³⁹ See Nie Yuanzi: "The First Marxist-Leninist Poster"

Here, the Cultural Revolution was actually interpreted from the perspective of "breaking the Four Olds", and the Cultural Revolution did take the revolution in the field of ideology as its starting point. That evening, the Central People's Radio broadcast Nie Yuanzi's large-character poster in full. The next day, the People's Daily published "*Hailing a large-character poster from Peking University*", which was published in full and highly praised Nie Yuanzi.

Encouraged by the central government's attention and recognition of Nie Yuanzi's large-character posters, some universities and high schools began to criticise the party committees and to accuse bureaucrats of restricting the movement's development, and the Cultural Revolution quickly moved from the cultural to the political sphere. Some students also set up their own mass organisations, such as a rebel group called the Red Guards, founded on 29 May by Wang Ming, Zhang Xiaobin and Zhang Chengzhi, students of the Tsinghua High School.

But the struggle at the centre was not over; the bureaucrats were still trying to keep the movement under their control, hoping that it would be a repeat of the 1957 "Double Hundred" movement, and saying that the Cultural Revolution was about "drawing snakes out of holes", that is, drawing out those who criticised the bureaucrats and then cracking down on them. On 3 June, Liu Shaoqi began to send work teams into the schools to "lead" the movement, and classes were suspended. On the same day, Liu Shaoqi presided over the work teams' "eight instructions", namely "distinguish between inside and outside", "pay attention to secrecy", "keep the big-character posters off the streets", and "hold meetings in the street. ", "Hold meetings inside the school", "Do not hold demonstrations", "Do not join together", "Do not surround houses of the black gang", "prevent vandalism by bad people". In view of the previous lessons, Mao Zedong, who was visiting the field, was ambiguous about sending a working group: "You can also not send it, if it gets messy, it will be messy for a while." Later he added, "Don't send a work team in a hurry." On 4 June Liu Shaoqi, Deng Xiaoping and Tao Zhu made a special trip to Hangzhou to report to Mao Zedong. With the repeated insistence and assurances of the three men, the Politburo meeting on 13 June decided to send work teams throughout the country. When the work teams entered the schools, they cracked down on the rebels and protected the conservatives, and began a brutal crackdown on the Cultural Revolution, and in order to turn the movement onto a bureaucratic track, it cracked down on a large number of cadres. This was the "Fifty Days of White Terror".¹⁴⁰

At that time Liu Shaoqi's daughter Liu Pingping was a senior student at the First Affiliated Middle School of Beijing Normal University and she was able to report to Liu Shaoqi on a regular basis, and based on his daughter's reports, Liu Shaoqi made instructions for Liu Pingping to convey to the work team.

On 9 June, the first work team entered the First Affiliated School of Teachers' University. During this period Liu Chao, the headmaster and secretary of the party committee, was "uncovered". A new work team headed by Gou Deyuan entered the school on 17 June, and this new group maintained direct contact with Liu Shaoqi. Within ten hours of entering the school, the new work team announced at an assembly of students and teachers: "We have all the information about the counter-revolutionary group 'Three-Family Village' in your school, the First Affiliated School of Teachers' University, a category 4 school, and the Party branch is a black Party branch! (*Notes from Three-Family Village* was a series of published writings in Beijing's major newspaper, authored by Deng Tuo, Liao Mosha and Wu Han which attacked the proletarian line in literature and art. It was publicly criticised by Yao Wenyuan in an article written on May 10, 1966 and published in Shanghai –

¹⁴⁰ The following historical facts of "Fifty Days of White Terror" are excerpted from Xiao Xidong: "The Politics of Memory and Forgetfulness", with deletions and additions.

Trans.) Two days later, Liu Shaoqi himself issued an order to the work team, condemning Liu Chao, the headmaster and secretary of the party committee, as an "anti-Party and anti-socialist element". And he said: "Five per cent of the population constituting the enemy means the whole country, but not your school and the Party branch specifically!" As a result, nearly ninety per cent of the school's cadres were branded as "monsters and snakes" and "gangsters". Seventy-seven per cent of the class teachers were struggled against and besieged. These cadres and teachers were deprived of their right to participate in the movement and were even forced to undergo illegal and prolonged "labour reform", to the point of being tortured. The work team created confrontation between teachers and students, to the point where they were fighting and killing each other.

On June 20, Chen Yongkang and He Fangfang, students of the First Affiliated High School (both of whom were descendants of cadres and probationary members of the Communist Party), rose up in rebellion, posting a poster titled "Find out the cow demons and snake spirits that have entered our livers!" They pointed out that the work team had made mistakes in its direction and line and that it had "misappropriated the name of the Party and used its authority to carry out a series of anti-Party and anti-socialist activities". They "tried by all means to create disputes, incite, provoke and 'interrogate' and 'fight' revolutionary comrades as if they were enemies, and divert the attention of the masses from the struggle".

On the day the big-character poster was posted, Liu Shaoqi received the head of the school's work team, Gou Deyuan, and four others, and said, "The people who wrote the big-character poster are fighting with the 'red flag' against the red flag, and the big-character poster can be used by anyone." "Now people are attacking you, people are taking the offensive against you, this is good. The enemy has come out, this snake has come out of its hole, and it will be easier for you to destroy him." "It's good to put up big character posters [meaning big character posters criticising the work team], the snake has come out of its hole, first of all you have to get the enemy clear."¹⁴¹ If the confrontation with the work team recalls the "Let's express our views to the Party" campaign of 1957, then the anti-rightist campaign of 1957, especially the so-called "lure the snake out of the hole" strategy, became a key point in Liu Shaoqi's mind. His instructions and talks during this period reflect his intention to apply the whole set of anti-rightist practices of 1957 to the campaign of that time.

In addition to the anti-rightist campaign of 1957, another reference that was given special attention was the recent Four Clean-ups, symbolised in particular by the 'Peach Garden Experience': strict hierarchical order, tight control of information, mystification of policies and the sorting and lining up of the masses. Liu Shaoqi's daughter, based on her understanding of Liu Shaoqi's instructions, wrote in her diary: "Teachers are not allowed to hold secret meetings. Neither did the students. The Red Guards were a secret organisation and illegal, but only one kind of secret meeting was allowed, that is, the Beijing Municipal Committee conveyed instructions (only for Party members) and the Revolutionary Committee of the work team lined up the masses, which could be secret, which was necessary, but a few students had to participate and were told to keep it secret." On the other hand, there was an aversion to and precaution against possible scenarios of "trouble" among the masses: "We can let people study Mao's Selected Works, editorials, and prepare materials, and not let them have nothing to do, for if they have nothing to do, they will make trouble."¹⁴²

From 24 to 30 June, according to Liu Shaoqi's instructions, the work team of the First Affiliated School systematically organised three large-scale struggle meetings against Chen Yongkang, He

¹⁴¹ Liu Shaoqi's conversation with some members of the work team of the First Affiliated Middle School of Beijing Normal University (20 June 1966).

¹⁴² Liu Pingping's diary, July 14, 1966, June 30, 1966.

Fangfang and other students, with hundreds of people attending each time. The first meeting alone lasted eight hours. Shi Qi, the director of the Cultural Revolution in Beijing, who was responsible for reporting to the Central Committee on the cultural revolution in secondary schools, declared that "Chen Yongkang and He Fangfang were anti-Party and anti-socialist counter-revolutionaries. The struggle also led to armed struggle with the approval of the work team: the work team reported to Liu Shaoqi on 11 July that 'Chen, He and the others had been defeated by our three major debates and were still being censored at the school. In the second debate, a leftist student hit Chen in the mouth. Niu XX (another student from the anti-work team), a student, was so scared of the debates that he ran home and did not come to school for three days, and threatened to go on a hunger strike and to threaten us with death'."¹⁴³

After the three struggle meetings, out of the 1,000 teachers and students in the school, as many as 150 were branded as "counter-revolutionaries" and "fake leftists and real rightists". One class was also branded as a "rightist class", in which "there was only one leftist, one left-of-centre and the rest were all rightists. "The students who were beaten were severely discriminated against in the school. No one talked to them all day long. He Fangfang squatted in a corner of the classroom, bending her body to study Mao Xuan. She squatted for half a day, and when she went to Peking University at the end of July to read the large-character posters, she was denounced as a "counter-revolutionary leader" and expelled from the university.¹⁴⁴

Deng Xiaoping personally instructed Hu Qili, the secretary of the Central Committee of the Communist Youth League (Hu was in charge of the Cultural Revolution in secondary schools in Xicheng District, Beijing), to make the Women's High School of the Normal University the focus of the campaign and to make it "typical". Deng Xiaoping's daughter, Deng Rong, also attended the school, and it was through Deng Rong that Deng Xiaoping learnt about the school's campaign and gave instructions.

On 4 June, the Central Committee of the League sent the first work team of the secondary school into the Girls' High School of Teachers' University and publicly declared that "teachers have carried out the revisionist education line and should be sentenced to death according to the law", "teachers are the targets of the Four Clean-ups" and "students are all revisionist seedlings". Some students put up "ghost fasting" on the door of the teaching and research group and "wolf dog's den" in the teachers' dormitory area. Some teachers and students were very dissatisfied with the work team's targeting of the masses after its entry into the school. On 17 June, thirteen people, including Li Lili from senior class (4), put up a large-character poster entitled "Where does the work team stand", asking the work team whether it was "a proletarian revolutionary or a bourgeois royalist". At the instigation of the work team, many students jumped on stage and shouted that there was a 5% among the students, that there were also rightists, that there were cow demons and snake spirits, and that to oppose the work team was to oppose the Party. On the other hand, the students of Liang Er and others took to the stage to support the anti-work team posters. The work team organised a siege of a few students until midnight, after which the classes were told to go back and continue the "debate" with the students who had put up the big-character posters and those who supported them. After the meeting, Deng Rong rushed home to report to Deng Xiaoping and asked him if it was

¹⁴³ Liu Shaoqi, 'Speech at the briefing of the work team of the First Affiliated Middle School of Beijing Normal University', 11 July 1966.

¹⁴⁴ "How poisonous it is to fight a large group and protect a small group"! The Capital High School Red Congress, "Corps War News", 10 April 1967; "Cannonballing Liu Shaoqi - Accusing Liu Shaoqi of the heinous crimes he committed in the First Affiliated School of Beijing Normal University", Beijing University, "Revolutionary Crosstalk", 9 January 1967.

right to oppose the work team, but Deng said, "It's not right to oppose the work team". Deng Xiaoping's words led to many students being branded as "counter-revolutionaries".

In order to suppress the students who opposed the work team, the work team carried out an "all-out campaign", telling each class to arrest rightists according to the "model" set by the work team. At that time, in one class of Senior Two (2), there were twelve students who were denounced as "rightists", including Zhang X X and Zhu X X who were designated as "counter-revolutionaries". Zhang X X was fought for two days and nights, and Zhu X X was only allowed to move around in the "circle of cow demons and snake spirits". They were deprived of all their political rights and put under surveillance. Some of the students developed schizophrenia.¹⁴⁵

The incident of the anti-work team in the Women's Affiliated High School led to Deng Xiaoping's own direct intervention in the school. The following is Hu Qili's recollection of the relevant facts: "On June 20, Hu Keshi (the then secretary of the Central Committee of the Communist Youth League) suddenly informed me that he wanted me to go with him to see Deng Xiaoping. I was startled, I didn't know why someone like Deng Xiaoping would call me.... After I went, Deng instructed me specifically: 'Those thirteen people are not activists. Activists can have no sympathy for those thirteen people'. He also said: 'There are also secondary school students who are counter-revolutionaries. The recently shot Yang Guoqing was a secondary school student, only nineteen years old. We must fight back against such people.' He also said: 'Reactionary students will be exposed, and when they are exposed, they will first make a show of it'. With these few words, Deng set the nature of those thirteen students who criticised the work team. When I returned, I quickly informed the working group that those thirteen students were not activists and that we had to rely firmly on the majority who supported the work team. This inevitably resulted in the work team pulling in one group and beating up another, provoking the masses to fight the masses even more." On 27 June, Liang Er and the other eighteen put up another large-character poster, "Carrying the Proletarian Cultural Revolution to the End", continuing to oppose the work team. Deng Xiaoping was furious at this and ordered Zhuo Lin to call Liu Zhijian, asking Liu to find out about Liang Er Tong's father and "attempt to carry out political persecution".

Deng Xiaoping further instructed that the "mass movement" should be used to combat the minority of students who opposed the work team. Hu Qili recalls: "On 20 June, Hu Keshi instructed me to organise a debate among the students, as had been done in the First Affiliated School of Teachers' University, to debate and isolate those who opposed the work team. Hu Keshi asked me to call Deng's office for instructions. On 27 or 28 June, Deng Xiaoping, through his daughter who was a student at the Girls' High School of the Normal University, conveyed to the work team his instructions that it was not good to leave the few stubborn elements of the opposition alone, as this would make them run further and further in that direction. The work team could start a debate with them. The debate must also have some strength. Let those who have been won over also participate in the debate. On 5 July, Deng himself asked me, Zhang Shidong, the head of the work team, and two student representatives to come to Zhongnanhai for a meeting. Once again, he instructed us in person that a debate should be organised. At that time, a student representative said that those

¹⁴⁵ Yong Mei Combat Team of the Fourth Field Army, Department of Physics: 'Uncovering Deng Xiaoping's old counter-revolutionary base', New Peking University, 28 June 1967. New Peking University Commune 02621 Detachment Investigation Group: 'Cutting off Deng Xiaoping's Black Hand to the Women's High School of Beijing Normal University - Investigation Report on Deng Xiaoping's Crimes of Brutally Suppressing the Proletarian Revolutionaries of the Women's High School of Normal University', Thoroughly Liquidating Deng Xiaoping's Monstrous Crimes in the Great Proletarian Cultural Revolution, April 1967.

who opposed the work team were not willing to participate in the debate, so what should we do? Deng even instructed: 'If they don't come, it's OK for them to be absent from the debate!'

According to Deng Xiaoping's three instructions in ten days, and despite the opposition of the work team comrades, a three-day debate was held from July 7 to July 9, besieging the anti-work team students and creating white terror.¹⁴⁶

Apart from the students who led the anti-work team, many other students were not spared from the persecution. Deng Rong later recalled of the fifty days in the Girls' High School of the Teachers' University: "Deng Xiaoping told me many times that we had to keep sorting and lining up, dividing left-centre-right and so on, in order to 'pick the right target' to hit. This target was the revolutionary masses, and this became my guiding principle. When I was working in the brigade, I carried out these instructions faithfully. In the first and second year classes, the class tutors were asked to first sort and line up the students, classifying them as left-centre-right, which was in effect a 'blacklist', identifying the targets to rely on and the targets to fight. Some classes were divided into seven or eight categories, and several counsellor meetings were held to discuss who was leftist and who was rightist in each class At that time, some of the members of the leadership group in the class were not very well-born, and because they were poisoned by the reactionary theory of class origin, I was extremely oriented towards this theory and full of thoughts of 'seizing power'. As soon as the investigation revealed that there was a problem in your family, you were replaced. It was a half-day negotiation to hold a re-election meeting, estimating various situations. Viciously, he first made some classmates stink in the class (*children of intellectuals were classified as the "stinking ninth category" – Trans.*), aroused public anger, and then re-elected and replaced them."¹⁴⁷

Within fifty days, the cadres of the Girls' High School were all 'sidelined', five of the six school-level leaders were fought, five of the six teaching and research group leaders were seized and struggled against, 32 of the 37 classroom teachers were besieged and struggled against, and over 50% of the teachers were besieged and struggled against. In early July, Liu Shaoqi and Deng Xiaoping drew up a programme of "intensive training" for secondary school cadres and teachers in order to end the secondary school movement and start school as soon as possible. From 23 July, the working group organised a "training session" for the cadres and teachers of the Women's High School of the Normal University, including the old teachers who were about to retire and the semi-retired sick. Each cadre and teacher was followed by a "leftist student", and the working group told these "leftists" the types of cadres and teachers in the lineup and the main materials, so that they could ask the cadres and teachers to explain their problems at any time. On July 25, Zhang Shidong, the head of the working group, said, 'When taking a shower and going downstairs, don't "discuss the matter on a case-by-case basis."' "Some people want to take scalding baths. The revolutionary juniors are keeping a tight rein." During the intensive training period, the teachers' and cadres' spirits were so devastated that many of them said that going to the intensive training was like going to a "concentration camp" and some said, "In a few days I will be driven mad!" Some teachers wrote wills and letters of desperation.¹⁴⁸

¹⁴⁶ Hu Qili, "Deng Xiaoping was the black commander of the suppression of the revolutionary students of the Women's High School of the Teachers' University", ed. Deng Xiaoping's Monstrous Crimes in the Great Proletarian Cultural Revolution, April 1967

¹⁴⁷ "Deng Rong's Exposé of Deng Xiaoping", edited by the 02621 Detachment of the New Peking University Grand Commune, 'A thorough liquidation of Deng Xiaoping's heinous crimes in the Great Proletarian Cultural Revolution', April 1967.

¹⁴⁸ The Investigation Group of the 02621 Detachment of the New North Commune: "Liquidating Deng Xiaoping's bourgeois reactionary line of "cracking down on a large group and protecting a small group" on the

When the work team entered Tsinghua University, which was personally overseen by Liu Shaoqi's wife Wang Guangmei, it claimed: "Jiang Nanxiang is bad, so are all the Party committees, league committees, departmental branches, sub-unit committees and Party branches, and none of the cadres at any levels are good", "Tsinghua is a black nest", "the whole Tsinghua Party organisation is a huge royalist party", "Tsinghua cadres cannot be reformed even after eight years". The working group did not allow the cadres to read big-character posters, and they were not allowed to participate in campaigns or any meetings. Of the 55 cadres in the Department of Mathematics alone, 39, or 71 per cent, were branded as "gangsters" or "black informers" by the work team. On 19 June, Kuai Dafu, an engineering and chemistry student at Tsinghua University, took the lead in "blasting" the work team and demanding a seizure of power, which was supported by many others. The work team considered Kuai Dafu to be a "fake leftist and real rightist", and he was branded a rightist student. Liu Shaoqi told his daughter Liu Tao in Tsinghua: "We should beat Kuai Dafu like a live target." During his imprisonment, Kuai Dafu wrote 37 big-character posters, "blasting" the head of the work team, Ye Lin, "I can never admit that I am a counter-revolutionary! Even if I were to go to the gallows, I would still declare that I am a revolutionary and that I am determined to see the revolution through to the end!"

As in the case of the Four Clean-ups, Liu Shaoqi adopted a large regimented campaign. Since, according to Liu Shaoqi's and Deng Xiaoping's understanding, the Cultural Revolution was a new and unprecedented political movement, the number of work teams sent was also unprecedented. In 1966 there were 60 higher education institutions, 312 secondary schools, and about 100 half-work half-study schools in Beijing. Forty-seven of the 60 colleges and universities had work teams. The work teams in Beijing's secondary schools were made up of over 1,500 cadres drawn from the Central Committee of the League. In Beijing's cultural and educational institutions alone, 7,239 people were dispatched, including a large team of more than 500 from Tsinghua University alone.¹⁴⁹

In some cases, the former party committee had already collapsed and the work team entered the school to replace the former authority; in others, the work team sided with the party committee and clashed with some of the students and teachers; in others, the work team supported one side of the school and opposed the other, exacerbating the conflict. However, what was consistent in the behaviour of all the work teams was that they all followed the "Tao Yuan experience" of "sorting and lining up the masses", "sweeping up and down together" and "cracking down on a large area". Secondly, using the anti-rightist campaign of 1957 as a reference, they regarded those who opposed the work teams as "rightists", "counter-revolutionaries" or "fake leftists and real rightists" and carried out crackdowns and persecution. A political worker at Tsinghua University later recalled: "At that time, most of the higher education institutions in Beijing were opposed to the work team. The leaders who sent the work team thought that this was a repeat of the rightist attack in 1957, and that there were black wires from the old Beijing Municipal Committee at work. They called it 'anti-disturbances', and in Tsinghua it was 'anti-Kuai'."¹⁵⁰

issue of cadres and teachers" (An investigation into the implementation of the bourgeois reactionary line on the issue of cadres and teachers by the Working Group of the Girls' High School of Beijing Normal University and the School Preparatory Committee in June, July and August 1966).

¹⁴⁹ This figure is taken from "*The Sky Turned Upside Down: A Chronology of the Great Proletarian Cultural Revolution, 1963.12-1967.1*", edited by the Mao Zedong Thought Study Group of some colleges and secondary schools in the capital, Beijing, 1967. Zhou Enlai, in his speech to the entire faculty and staff of Tsinghua University in the early hours of 5 August 1966, said: "The entire Beijing Municipality has sent nearly 10,000 people to all schools and units, and they have been transferred from all over the country and from all fronts."

¹⁵⁰ "*Memoirs of Tao Dejian*"

Those opposed to the work teams saw sensational incidents at many schools. The "No. 10 Incident" took place at the Central Finance and Economics College in Beijing. On 10 June, ten young teachers from the finance department and some students from the department organised a mass rally to expose the problems of the department's leadership and to point the finger at the work team sent by the Ministry of Commerce. Chen Rulong of the Party Committee and the work team branded the incident as a counter-revolutionary "rampant attack on the Party" and the ten young teachers were branded as counter-revolutionaries. The work team summoned the cadres of the finance faculty to two consecutive struggle meetings in the afternoon and evening to force them to confess to being "anti-Party" and "anti-revolutionary" and to explain their "anti-Party agenda". They were declared to be under "dictatorship" and "allowed to be honest, but not to talk or move around". According to the complainants, under the incitement and deception of the work team and the school authorities, "the uninformed masses came to our dormitory day and night to besiege, denounce, struggle and demonstrate.", shouting 'counter-revolutionary', 'anti-Party elements', 'bastards' and other slogans, and even put slogans and cartoons on our backs and subjected us to corporal punishment and physical humiliation." "After one o'clock at night, there were people knocking on the door every once in a while, telling us not to go to bed. They also had students stand guard over us day and night, even watching us with wooden guns and sticks, imposing isolation on us, restricting our freedom, forbidding us to talk to anyone, forbidding us to go out to buy cigarettes, and monitoring all our movements. When we protested strongly to them, they said that this was a 'mass movement' and that it was 'understandable'."¹⁵¹

The "June 20" incident broke out at the Beijing Geological Institute. According to the book, "*The Earth Shattering Great Proletarian Cultural Revolution (1963.12-1967.10.1)*", prepared by the Third Department of the Capital, on June 20, "Li Gui, a member of the Standing Committee of the Party Committee of the College, together with some cadres and faculty members, wrote to the Party Central Committee and the State Council to expose the mistakes of the work team. Their action was supported by the students of Guandong University, who united and held a powerful demonstration against the Zou Jiayou work team. Tao Lujia, the then deputy director of the Political Department of the Ministry of Industry and Trade, and He Changgong, the deputy minister and party secretary of the Geological Department, asserted that there was an 'underground command' at the Institute and instructed the work team to arrest Li Gui. Bo Yibo later criticised Li Gui in the black materials of the work team of the Geological Institute, saying: 'It seems that Li Gui is at least a rightist and probably a counter-revolutionary leader. The next day the leaders of the Geological Department also mobilised a group of their staff to cheer for the Zou Jiayou working group and organised a procession of family members and children as a counter-attack.'"

The "June 20" incident broke out at Beijing Normal University. Seventeen students, including Tan Houlan, put up a poster reading "Where is Sun Youyu leading the movement?" Some students and teachers rallied to support it. At 10am, Sun Youyu, the head of the work team, hurriedly gave a "broadcast speech", saying that the posters had "ulterior motives" and that "their fate was linked to the cow demons and snake spirits" and that it was "a planned and organised premeditated activity" that "wanted to drive the work team out of power". Thus began the siege in the name of "sweeping the periphery", "anti-disturbances" and "catching swimming fish". The author of the big-character poster did not give in and posted another one at noon, "Why is Sun Youyu in such a panic?" That night, the siege and criticism intensified, and those who wrote the big-character posters were given

¹⁵¹ The 88th Jinjiao "June 10" Combat Team "Angrily Complains About the Persecution of the Bourgeois Reactionary Line", The 88th Fighting Team of the Beijing Commune of the Central Academy of Finance and Economics of the Red Generation Association, "Beijing Commune" April 20, 1967.

black materials, labelled as "rightists", "anti-Party" and "counter-revolutionaries", and had their personal freedom restricted, and were not even allowed to eat.¹⁵²

The "June 20" incident broke out at Beijing Forestry College. In the early morning of 20 June, five forestry students, including Jiang Shuming and Zeng Xianjun, compiled a big-character poster, "*Minutes of the Talk with Comrade Xu Kemin of the New Municipal Committee*" (also known as "Twenty-two Questions"), based on the records they had taken after visiting Xu Kemin at the reception station of the new municipal committee. This big-character poster, which answered some of the questions raised by the movement at the time, was so popular that it was widely copied and spread throughout 34 large and medium-sized cities, including Harbin, Hohhot, Shanghai, Guangzhou, Wuhan, Chongqing, Xi'an and Changsha, by the end of June. This large-character poster was branded by Bo Yibo and the new Beijing Municipal Committee as a "counter-revolutionary black agenda" and a "big poisonous weed", claiming that they wanted to "eliminate the poison and purge the influence". The authors of the big-character poster, five students from the Forestry Academy, were branded as an "anti-Party clique" and subjected to a long and brutal struggle. Accordingly, Bo Yibo made the Forestry College one of the key colleges in the "anti-disturbance" campaign. On 9 July, the work team convened a meeting of more than 4,000 people from twelve colleges to "criticise the reactionary 22 issues" and fought for eight hours against Jiang Shuming and others, and announced that "Jiang Shuming and others would be disqualified from probationary membership in the Party".

At the same time, the Tsinghua Working Group branded the three people who had copied the big-character poster at Tsinghua University as a "Little Three-Family Village" and "counter-revolutionaries", while teacher Shi XX was branded as a counter-revolutionary for reprinting the Summary of Talks and died in anger, taking poison. According to incomplete statistics, more than 4,000 people were branded as 'counter-revolutionaries' for copying the big-character poster, four people were forced to commit suicide, two people vomited blood, and two people were forced to die."¹⁵³

Where is the evil in this big-character poster, so that the work team regards it as a monstrous beast? Compared with the general disapproval of the work team at that time, there was nothing particularly "reactionary" about it. It was just the most incorrect appetite for the work team, but "people from bad backgrounds are more welcome to expose their problems", and if some people blindly supported the party committee, thinking that they could join the party or become a good party member through the movement, then they were unlucky" and so on. They were opposed to the very practice of opening up the campaign's policies to the masses and meeting them directly.

In the days before and after 20 June, thirty-nine universities in Beijing were the scene of incidents in which the work teams were bombarded by the masses and the work teams turned against them. The work team was also highly consistent in its characterisation of those who made anti-work team statements, that is, through the prism of the "anti-rightist" and "Hungarian counter-revolutionary riots", it interpreted the anti-work team trend as a "rampant attack on the Party". For example, the "June 13 rally" at the Beijing Foreign Language Institute was branded as a counter-revolutionary rally, and the "June 16" incident of the anti-work team, which was similar in nature, was branded as the "Little Hungary incident". In short, the work teams' approach to the masses can be summed up

¹⁵² The Great Proletarian Cultural Revolution, 1963.12-1967.10.1, p. 49-53, edited by the Mao Zedong Thought Study Group of some colleges and secondary schools in the capital, Beijing, 1967

¹⁵³ The Great Proletarian Cultural Revolution, 1963.12-1967.10.1, p. 49-53, edited by the Mao Zedong Thought Study Group of some colleges and secondary schools in the capital,, Beijing, 1967.

in words that we are familiar with, that is, to use revolutionary and "extreme left" words and phrases to outline the outline, to slap on hats, and beat them with sticks. Yet it should not be forgotten that this happened under the auspices of the later victims of the Cultural Revolution movement - Liu Shaoqi and Deng Xiaoping!

In view of the rise of the anti-work team in Beijing's universities, Li Xuefeng, secretary of the new Beijing Municipal Committee, convened a working meeting of the Municipal Committee at the Beijing Restaurant on 23 June and gave the famous "June 23" report. He considered that "the situation was complicated, with counter-revolutionaries, gangsters, royalists, bourgeois 'authorities' and their supporters, and rightist students jumping out to create confusion and fish in troubled waters, competing with the work teams for leadership". It was "fighting against the Red Flag under the 'Red Flag', exploiting the revolutionary motivation of the masses and their hatred of the black gang, and attempting to oppose the dictatorship of the proletariat." "At this stage, whether one supports or opposes the new municipal committee is an important sign of whether one supports or opposes the party." "The rightists driving away the work team must be purged. At this critical juncture, communists must stand up and defend the party, if they don't, Nagy will come to power."

The "anti-disturbance" campaign reached its peak when Li Xuefeng's "June 23" report was delivered to Beijing's higher education institutions. According to the Chronicle of Events, during the period of "anti-disturbances", the working group labelled 10,211 students as "rightists" and 2,591 teachers as "counter-revolutionaries" in just 24 colleges and universities in the capital.¹⁵⁴

After June 20, the work team took advantage of the cadres' eagerness to join the movement and demand liberation, and induced them to take part in the siege of the anti-work team students in exchange for an early "bath and getting out of the building", so that they could "make up for their mistakes and make amends". For example, the work team at Tsinghua University asked the cadres who went downstairs to participate in the "anti-Kuai" movement.

The political climate in the capital was strong and well-informed, so it is understandable that these conflicts and struggles occurred. However, Beijing was not an exception to this rule. For fifty days, similar conflicts were played out all over the country. The only difference was that most of the work teams at the universities in Beijing were sent by the central ministries, while the work teams in the provinces were sent by the central bureaus and provincial and municipal committees.

A sensational incident in Guangzhou was sparked by a letter from Beijing. In June, Gao Xiang, a student at the South China Institute of Technology, received a letter from his sister in Beijing about the cultural revolution in Beijing, and on 24 June, Gao Xiang and other students posted the "Letter from Beijing" and wrote a large-character poster, "Letter to all students of the Institute". The "Letter from Beijing" included the following words: "Apart from Chairman Mao and the Party Central Committee, the leaders of Party organizations at all levels can be doubted." At once, the students rushed to spread the word and copied it.

That night, Zhao Ziyang, secretary of the Guangdong Provincial Party Committee, chaired a meeting and designated the "Letter from Beijing" as a counter-revolutionary letter and decided to send a work team to investigate it. At 1 a.m. on the 25th, under the planning of the work team and Zhang Jin, the first secretary of the Party Committee of the College, some workers, peasants and armed cadres held an emergency meeting and wrote critical articles and big-character posters overnight, accusing the "Letter from Beijing" of being a "manifesto for a counter-revolutionary riot" and a

¹⁵⁴ *Chronicle of Events*, p56; Wang Nianyi argues that this figure "differs greatly from the facts, and some publications follow this highly inaccurate statement". This issue is to be examined.

"replica of the counter-revolutionary programme of the Petofi Club" and a "prelude to the Hungarian riots". The work team also arranged for the students concerned to be monitored and followed. When the "letter from Beijing" was suppressed, five students went to Beijing to reflect on the situation and were intercepted and seized by the provincial committee. A letter written by eighteen students from South China College of Technology, including Xiao Yuxiang, advocating a coalition of sister colleges, was also classified as a reactionary letter and pursued. The seventh issue of the Bulletin of the Cultural Revolution in South China published on 1 July 1966 (then an internal publication of the Central South Bureau of the Communist Party of China) reported the incident and described it as "a struggle over a reactionary letter in South China College of Technology". Almost a year later, on 18 April 1967, Zhou Enlai, in a talk to representatives of the two factions in Guangzhou, specifically vindicated the "letter from Beijing" incident, saying: "The struggle over the 'letter from Beijing' was oppressed. It was the first time that the revolutionary masses in Guangdong were persecuted by the provincial committee, which was carrying out a bourgeois reactionary line at the time, and by Tao Chuang."¹⁵⁵

The suppression of the masses in the fifty days was common in the central south. On July 3, Wang Renzhong and Tao Zhu drafted a "Letter to the Hubei Provincial Committee", which said: "Fight first against the most rampant and vicious enemies, that is, first against the enemies most hated by the majority of the masses. Some of them are counter-revolutionaries among cadres, teachers and university students. Capture the thief first, shoot the head bird This institute can pull out the worst rightist students and fight them centrally to break their spirit." The working group of Wuhan University was influenced by this. Under this influence, the head of the work team at Wuhan University stated: "The Cultural Revolution is the highest stage of the anti-rightist campaign in 1957".¹⁵⁶

This idea was put into practice by the work team at Wuhan University: "The cadres and teachers of the university (the total number was 1,242) were beaten into 'gangs' and 'black lines'. 232 people, the deputy secretaries of party branches and the deputy directors of teaching and research departments and above were beaten into 'gangs'. 108 people, and the general cadres of the general branches of four units were 100% beaten into gangs or stood aside. The work team threw out the 'three-family village' of Wudao and the teachers (the total number was 1,242) and the general cadres of four units were branded as 'black gangs' or 'black lines'. After the work team threw out the 'three-family village' of Wudao, it also seized small 'villages' in various departments and units, and in some units it forced three of them to form a 'village'. The school had more than ten 'three-family villages', the General Affairs Office has four 'three-family villages' in one unit, the repair team, machinery factory workers have also become the so-called "three-family villages" of the big boss."¹⁵⁷

A horrific incident took place at Wuhan Ink Lake High School. In early June, students and teachers at the school, including Xiao Weiye, wrote big-character posters exposing the suppression of the student revolution by the school's ruling faction, and were threatened and intimidated by the school's ruling faction. The Central South Bureau was asked to send wholesale documents to the grassroots and report them to the Central Committee (which later failed to approve them). On 21

¹⁵⁵ Hai Feng, *A Brief History of the Cultural Revolution in Guangzhou*, 1971, Hong Kong Youlian Institute. Guangzhou Red Flag Newspaper, 24 June 1967.

¹⁵⁶ "Thoroughly criticising the bourgeois reactionary line of Wang Renzhong's work team on the issue of cadres at Wuhan University", Wuhan Red Guard Third Division, Dongfang Hong, 11 May 1967.

¹⁵⁷ "Wang Renzhong's crime of suppressing the mass movement—Records of the imprisonment of revolutionary teachers and students in Wuhan Ink Lake Middle School", Capital Criticism of Liu Deng's Line War News, 14 March 1967.

June, the school work team received instructions from the municipal party committee, and the next day they branded the rebellious people as "counter-revolutionaries" and detained them separately to organise a mass struggle. On 11 July, the Public Security Bureau arrested them and put them in Wuhan prison, where they were interrogated six times, threatening them, "You have two ways out: if you do not confess, you will be sentenced to a coffin, prison and life imprisonment; if you confess that you are counter-revolutionaries, you will have a way out." Soon they were sentenced individually, some of them to death sentences suspended for two years, and the youngest, three students aged sixteen, were sentenced to five or three years. At the same time, on the instructions of Wang Renzhong, the work team organised an exhibition on the current counter-revolutionary crimes of Wuhan Ink Lake High School, describing the rebellious masses as "fake leftists, real rightists" and "fascist thugs". "The exhibition was on display for two weeks and had a great impact on Wuhan. Wang Renzhong personally instructed that editorials and reports should be written on this matter, and the mayor of Wuhan personally reviewed them."¹⁵⁸

Another typical case of cruel persecution took place at the Linfen branch of Beijing Normal University. The work team headed by Wu Yongtai entered the university on 20 June, and "the revolutionary teachers and students, who had been suppressed by the Black Party Committee, welcomed them with gongs and drums, and pinned unlimited hopes on them." The policy of the work team, however, was that all the cadres "stood aside", "looking for priorities on the basis of sweeping", "a policy of stripping the shoots", and turning the struggle against the general cadres and students. One class secretary, Gao Shangnian, was forced to commit suicide on the third day of the work team's entry into the school. According to his classmate's later complaint, the work team's "bourgeois reactionary line was so rampant that it was as common as killing a chicken". When they pulled Gao Shangnian out of the well, they said, "Let's see if he's dead, but if not, we'll have to drag him to a struggle session". Another student cadre, Li Zhiyu, who was branded as a "triple rebel", was subjected to intermittent interrogations and struggles under the work team's slogan of "knocking every day", with his head bowed, standing at attention, hands down, and being locked up in a room to write an examination.¹⁵⁹

In Changchun, Jilin Province, the so-called "Red Flag Incident" took place at the Northeast National People's Congress (NPC) (i.e. Jilin University). On 13 June, big-character posters of students and teachers of the NPC began to expose the relationship between Chen Jingbo, the second secretary of the Party Committee, and Kuang Yaming, the former president and first secretary of the NPC (on 13 June, the Jiangsu newspaper Xinhua Daily published the news that Kuang Yaming, the first secretary of the Party Committee and president of Nanjing University, had been uncovered). On 14 June, the provincial party committee held an emergency meeting and sent a work team headed by Li Yiping, secretary of the municipal party committee, to the Northeast People's Congress to put out the fire. After the work team entered the university, there were various conflicts between the work team and the people who had given their opinions to the Party Committee. On 21 June, "amidst a wave of voices saying 'Li Yiping' should go away", the work team of the municipal party committee held a general meeting of all the members of the Northeast NPC. At the meeting Li Yiping called on party members to take a stand in support of the work team. Song Jiehan, the first secretary of the municipal party committee, told the members of the work team, "The fact that the work team is being driven out means that there are bad people causing trouble. We must be prepared to fight."

¹⁵⁸ Li Zhiyu: *'Angry accusations against the bourgeois reactionary line on the cadre issue'*, Jinggangshan, Jinggangshan Commune, Northern Division, Red Generation, 11 April 1967

¹⁵⁹ The Tsinghua University Jinggangshan Corps Revolutionary Rebel Team: *'Wang Renzhong, we want to settle accounts with you!'*, Jinggangshan, X X, 1967.

At the meeting, it was decided to hold a mass meeting in the evening and to expand the municipal work team into a provincial and municipal work team, with Li Yiping as its leader. When the news of the all-school party meeting spread, many people were outraged. That night, the crowd gathered in all directions in the school auditorium, breaking the work team's rule of "entering by ticket and taking a seat by number". When the crowd entered the auditorium, they found that there was no national flag on the stage, only the Chairman's portrait, which was still hanging crookedly there. The students went up to the team to negotiate with them. They demanded that the Chairman's portrait be put in the right place and that the national flag be hung. The deputy head of the team said, "We have to ask the provincial and municipal committees for permission." This angered the students and teachers, and "when they couldn't stand it any longer, three to four hundred revolutionary youngsters took it upon themselves to set the Chairman's portrait straight and carry the national flag on the stage." At eleven o'clock, the provincial and municipal committee sent two cars of public security officers from the suburban public security bureaus to help "maintain order", and later more than two hundred and seventy cadres from factories, institutions and schools were temporarily deployed to form a headed by Han Ronglu, the deputy minister of the propaganda department of the provincial work team committee. "This was the "Red Flag Incident", which became a sensation in the city. The "Red Flag Incident" was qualified by the provincial and municipal committees as a counter-revolutionary incident of "fighting the red flag against the red flag" and "rightist disruption". After the incident, Song Jiehan instructed the work team to investigate in detail the participants in the "Red Flag Incident" and to compile black materials. The provincial and municipal work teams lined up students and branded several students who had dared to rebel as "counter-revolutionaries".¹⁶⁰

A face-to-face confrontation between the work team and the crowd also took place almost simultaneously on the campus of Chongqing University. The following is the account of the incident as published by the masses in the August 15th War Newspaper:

The Chongqing Municipal Party Committee work team, headed by Zhang Zhanyu, entered the school on 8 June and affirmed that the Party Committee was a "Marxist-Leninist Party Committee" and forbade the posting of big-character posters about the Party Committee and the General Party Branch, thus suppressing the mass movement. Under strong pressure from teachers and students, on 16 June the work team was forced to ask Zheng Siqun, the secretary of the school party committee, to give a fake investigation to all the teachers and students of the school for a series of mistakes in suppressing the masses. On the same evening, the secretaries of the party branches of each department made their own check-ups to the public, in accordance with the framework laid down. This, however, further exposed the conflict between the work team, the Party Committee and the public. At the inspection meeting held by the General Party Branch of the Radio Department, some students who had participated in the former official secret meetings rose up to denounce the secret meetings held by the General Party Branch and the measures to suppress the masses that had been laid out at the meetings. In order to save the situation, they asked Qiu Chongxing, the director of the office of the Party Committee of the school, and Zhang Zhenyu, the head of the work team of the Municipal Party Committee, for instructions and assistance. "Don't hold this meeting! It's getting late, go back and get some rest!" (It was after eleven o'clock in the evening, but the students thought it was still early.) Zhang Zhenyu, the leader of the work team who remained in the background, also tried to dissuade the students who were lining up in the background to speak: "It's late today, this meeting is not well prepared, it won't go well, so be careful not to let the class

¹⁶⁰ *'Chronology of the Great Proletarian Cultural Revolution in Chuncheng, November 1965 - March 1968'*, p14, edited by the Changchun Commune's 503rd Combat Team.

enemies take advantage of it." A combination of hard and soft measures finally prevented the conference from continuing. It is said that at this time "the campus was like a heap of dry firewood, and the slightest spark would have started a huge fire".

On 18 June, Zhang Haiting, the deputy head of the work team, made a report that was the spark for the June 18 incident. That morning, when students from the Department of Wireless Electricity heard that some students from the Department of Electrical Engineering were under siege for exposing problems at both levels of the university, they immediately organised a procession of students from the whole department to go and show their solidarity in the rain. When Zhang Haiting, deputy head of the work team, came out to meet the students, he said, "Your enthusiasm is good, but so many people, coming in a mess, will not solve the problem of the Department of Electrical Engineering, they solve the problem themselves, you'd better go back to study the documents!" The students were so disgusted with his attitude that they stopped paying attention to him and instead recited a letter of solidarity to the students of the Electrical Department.

After the solidarity ended, students from the radio department went to the deputy head of the propaganda department of the municipal party committee, He Zhengqing, who was responsible for the town's major campus, and asked him to take a position on the situation. The students thought that the work team had "conspired with the Party Committee of the school to suppress the Great Proletarian Cultural Revolution in our school", in the light of its behaviour since its arrival. On the same day, at noon, students from several classes jointly sent an urgent telegram to the Party Central Committee and Chairman Mao (some telegrams were stuck in the post office and were not sent). The common belief and common action led some students to form a sort of collective.

On the afternoon of 18 June, Zhang Haiting, on behalf of the work team, gave a presentation to all members and cadres of the school, saying that "members of the Communist Youth League must firmly believe in the Municipal Committee and the Central Committee of the Party, and that they must resolutely implement the decisions of the higher organization, even if they are wrong". The report was considered by the students to be a framework, setting a tone and throwing cold water on the situation.

On the evening of 18 June, the Radio Department held a general meeting (attended by some of the young students) to present Zhang Haiting's report in the afternoon. During the presentation, students handed in notes questioning many of the report's points and asking to speak out against it. As soon as the report was delivered, someone jumped on stage and was ready to speak. However, Gao XX, the secretary of the department's general committee, and Zhang XX, a member of the work team, who was in charge of conveying the report, refused to agree to it, so there was a fierce struggle over whether to continue the meeting and whether to criticise the report, and in the course of things, another call was made to ask Zhang Zhanyu, the leader of the major work team who lived in Songlinpo, who replied with great dissatisfaction, "You really want to hold a meeting, just do it - tell all the members of the work team to come back to the meeting!" Everyone in the room knew that things were getting serious. Some of those who were timid left the meeting. Three or four hundred determined people stayed behind and elected a few people to form a temporary bureau for the meeting (the vast majority being student representatives elected by the students in the morning), someone brought in a tape recorder to record the meeting, someone took it upon themselves to keep the meeting in order and the meeting went on.

The students jumped onto the stage, denouncing and accusing the work team and the Party Committee of collusion and suppression of the masses, raising slogans such as "not trusting the work team " and "organizing a revolution on your own before Chairman Mao and the Party Central

Committee sends someone". It was also proposed that, in view of the collusion between the work team and the Party Committee of the school and their suppression of the masses, in order to ensure the normal conduct of the Cultural Revolution, it was necessary to "take over the radio station" and "take over the Armed Forces Department". Lastly, it was decided that the school would report directly to the Party Central Committee and Chairman Mao, and the next day the materials of the conference would be published in the whole school, and the work team of the Municipal Party Committee would be exposed by means of recordings, posters and speeches. Some people also suggested that some people wanted to cut off our contact with Chairman Mao and the Party Central Committee, that the telegrams could not be sent out, and that we should go out of school and go to the workers, peasants and soldiers to spread propaganda and to win their support. One by one, the atmosphere was getting more and more heated, and those who were waiting to speak formed a long snake formation behind the stage. Students from the electrical, mechanical, metallurgical and other departments also came to show their solidarity and asked to speak, and the meeting went on until two o'clock at night. The conference was followed by a huge march through the campus, "Expose the big conspiracy and deception of the municipal work team! "Long live the Chinese Communist Party!" "Long live Chairman Mao!" and other slogans rang through the night air.

At the same time as the spontaneous meeting of the students was taking place, the Minister of Propaganda of the Municipal Party Committee, He Zhengqing, declared in the auditorium of the Party Committee that the rally of the Department of Radio and Television was counter-revolutionary. At that time He and Zhang studied two measures: firstly, to mobilise the army to suppress the students if they marched in the streets, and secondly, to gather the workers of the Mechanical Department immediately to "defend" the First Building (where the rally of the Department of Radio and Television was held) with tools.

"The news of the June 18 rally immediately reached the municipal party committee building, and Ren Baiguo, the first secretary of the municipal party committee, and several other secretaries stayed up all night to plan countermeasures. The work team personally set up a siege on the teachers and students of the radio department, assigning two students to prepare a piece each to denounce the "counter-revolutionary events" in the radio department. In the early hours of 19 June, students from the Radio Department were besieged in their dormitories and on the roads, and the campus was plastered with huge banners and large posters saying "Angry denunciation of the counter-revolutionary crimes committed by a small group of people from the Radio Department who met illegally". In the evening, the work team and the Party Committee of the school organised a struggle meeting to kidnap the participants and supporters of the June 18 rally and to fight them. The Chongqing Municipal Committee and the Provincial Cultural Revolution Group published a "briefing" on the incident, which distorted the truth. However, after the incident, the Chongqing Municipal Party Committee was forced to transfer back the leaders of the original work team, Zhang Zhenyu and Zhang Haiting, and sent a new, larger work team to the major site.¹⁶¹

Finally, we come to a conflict that took place outside the campus, namely the Nanjing "June 13" incident. On 12 June, Nanjing University uncovered Kuang Yaming, and on 13 June the Xinhua Daily published an article entitled "Resolute Support for the Revolutionary Action of Nanjing University Students and Teachers". There was a lot of criticism and reproach from university and high school students in Nanjing about this article. The article attributed the credit for uncovering Kuang Yaming to the provincial committee, saying that the provincial committee had discovered it in time, thus

¹⁶¹ *"Kicking away the stumbling blocks and making a revolution of our own! --The "June 18" Incident at Chongqing University"*, Chongqing Red Guard Revolutionary Rebel Command, Chongqing University Red Guard Regiment and the August 15 Combat Regiment, August 15 Battle Report, 18 June 1967.

setting a tone that the provincial committee could not be doubted. At noon on 13 June, two students from Nanjing Agricultural College put up the first big-character poster for the Xinhua Daily, entitled "There are ghosts here". In less than two hours, the newspaper office was filled with big-character posters inside and outside. Even though some of the staff members of the newspaper had built several walls of people holding hands, they could not stop the masses of people who came to the newspaper office to post the big-character posters for debate. So, officers from the Public Security Bureau came. At first there were dozens of people, but later it increased to 200 or 300.. Together with the newspaper staff, they drove out the people who had come to the newspaper office to put up big-character posters and debate, and then closed the iron doors, fearing that students would come in. "Inside and outside the gates, they were on the alert, treating the revolutionary masses as if they were flooded with animals."

Originally there were more people at the newspaper office to put up big-character posters and debate than there were newspaper staff and public security officers. Later, the iron door of the newspaper office was closed, and inside the door were organised public security officers "defending the Party newspaper", editors and journalists from the newspaper office, workers from the printing factory, and students who were working and studying half-time. In this way, the majority became a minority, and they were attacked one by one. For example, on the night of 13 June, a cadre's son from Ninghai High School was dragged into the newspaper office, where a large group of people argued with him and forced him to admit his mistakes.

The incident continued the next day, on 14 June, when a Young Pioneers' Counsellor from Yixianqiao Primary School was pulled down by public security officers for climbing the wall to put up a big-character poster, his clothes were torn and he was dragged into the newspaper office and asked to admit his mistakes. Many people, mostly young students, were dragged into the newspaper office at the same time as the tutor, mobbed and labelled as "anti-Party".

When these people were dragged into the newspaper office, the public security officers forced them to produce their documents and then made telephone calls to the party committee or residents' committee of their unit to investigate the political situation of the detainees, and then threatened, "We know all about you!" Some students stayed at the entrance of the newspaper office for a while, or visited the office several times, or had arguments with the newspaper staff, so the public security officers took down their units and names and prepared to follow the trail.

On the following day, three workers at the newspaper's printing plant posted a big-character poster on the street exposing the problems of the newspaper, and "this turned the world upside down". The powers-that-be at the newspaper organised a group meeting to criticise them, saying that they had been used by bad people and asking them to admit their mistakes.

All the big-character posters posted and sent in, regardless of their content or author, were collated by the newspaper office, and all the big-character posters posted in the streets were photographed. "This was a conscious application of the 'experience' of the anti-rightist struggle in 1957 to the masses. The "June 13" incident was branded by the provincial committee and the newspaper as an incident in which "a few bad people caused trouble". The people who had doubted the Xinhua Daily were made to feel so vulnerable that some of them were forced to come to the editor of the newspaper in pers¹⁶²on to review and admit their mistakes.

¹⁶² "The "Xinhua Daily" was bombarded - the "June 13" incident was uncovered." The Red Guards' newspaper, Nanjing University and College Command, 16 January 1967. In his speech to the Central Bureau and members

Within 50 days, there were many similar incidents all over the country. The more famous ones were the "June 6" incident in Xi'an Jiaotong University, the "June 10" incident in Qinghai, and the "Long Qian Yun Incident" in Guangxi Xi'an University. If the central government had not taken decisive action, then the Cultural Revolution would have been almost over, and would have strengthened the bureaucratic dictatorship. But this time, the revolutionaries represented by Mao Zedong would never compromise.

of the Central Cultural Revolution Group on 21 July 1966, Mao Zedong said: "Can we be so afraid? Is that why the Xi'an and Nanjing newspapers were besieged for three days and scared out of their wits?"

Section 2: The Class Struggle Explodes, Miles of Rivers and Mountains are Red

I. From the Eleventh Plenary Session of the Eighth Central Committee

1. Before the Eleventh Plenary Session of the Eighth Central Committee

In June, during a visit to the South, Mao Zedong wrote a poem entitled "Seven Rhythms - Something to Think About":

It was a time of trouble in the divine capital when I came to the South again to tread on fragrant branches.

The green pines were angry with the sky, and the decaying leaves followed the blue water. A gust of wind and thunder startled the world, and the streets were filled with red and green flags.

Listening to the drizzling rain from the fence, the people of his homeland had something to think about.

(The following is a vernacular translation of the poem:

Just when a major incident occurred in the capital Beijing, I came to the south of the motherland to inspect.

The branches of the green pine grow extremely strongly, and they rise upwards, pointing straight to the sky, and the decaying and withered leaves drift away with the green water. The thunder of a revolutionary storm that had just been set off shocked the whole world, and the streets were full of marchers dressed in green uniforms and holding various organizational flags and slogans.

Leaning against the railing, I listened quietly to the sound of the rain, paying attention to the development of this event, and the people of the ancient country thought about it.

From "The Complete Works of Mao Zedong's Poems": Oriental Publishing House, 2016.07: 346-348 – Trans.)



On 8 July, Mao Zedong wrote a letter to Jiang Qing at the Dishui Cave in Shaoshan:

“From great chaos under heaven arises order under heaven. Every seven or eight years it happens again. The monsters and demons jump out on their own. Their actions are determined by their own class nature, it is impossible for them not to jump out. Our friend's [Lin Biao's] speech—the center is urging to publish it. And I plan to agree to publish it. He speaks specifically on the subject of coups. On this question, there has been no such talk in the past. The way he brings certain things up makes me feel unsettled overall.

I have never believed that those booklets of mine have that sort of spiritual power. Now if he praises to the sky, the whole party and country do so too... To agree with others on big questions despite my inclinations—this is the first time in my life [I have done so]. This is what is called something that is not determined by human will.

In the Jin Dynasty, Yuan Ji opposed Liu Bang. He went from Luoyang to Chenggong, and proclaimed “The lack of heroes in the world allows those without ability to gain fame.” Lu Xun once said the same thing about his own essays. I am of the same mind as Lu Xun. I like that sort of frankness of his. He said he would dissect [and analyze] himself more severely than when dissecting others. After having taken several spills, I also tend to do as he did. But comrades generally don't believe [in doing so]. I am confident, but also have a certain lack of confidence.

In my youth I once said that I believed I would live 200 years, and ride the waves for 3,000 li. I seemed to be quite arrogant. But I doubt myself, and overall believe that like in a mountain without tigers, the monkey is called a king, and I also became this sort of king. But it is not eclectic either. In my 150 body, there is some tigerishness, which is primary, and some monkeyishness, which is secondary. I have cited a few lines from a letter written by Li Gu to Huang Qiong in the later Han Dynasty: “Those who live in the country are easily broken; those who are bright are easily defiled. The sun and the snow are white in spring, but the harmonious are few in number. It is difficult to live up to the reputation. These last two lines refer to me.

I once read these lines at one of the meetings of the standing committee of the politburo. It is important to know oneself. In April of this year at the Hangzhou Conference, I expressed my difference with that sort of pronouncement [of Lin Biao's]. But what was the use? When he went to Beijing, at the May conference, he still spoke that way, and the press even more fiercely so, simply exaggerating to the point of fantasy. As such, I could only ascend Liang Mountain. I guess their real intention is to use a Zhong Kui to attack ghosts, I truly have served as the Communist Party's Zhong Kui in the 60's of the 20th century.

... The more the praise, the heavier the fall. I am preparing to fall and be broken to pieces. That is no worry. The matter cannot be destroyed...Even Marx and Lenin have been smashed to pieces, not to mention us. I urge you to pay attention to this question. Do not become dizzy in your head from victory. Frequently think of your weaknesses, shortcomings, and mistakes.

I have talked with you about this how many times. You do still remember, that in April, in Shanghai this was discussed as well.

The above writing, often has what approaches black words. Do not some anti-party elements speak in just this sort of way? But they want to completely defeat our party and myself. I am but speaking in regard to my own role—about which I think there are a few formulations that are not reasonable. This is the difference between me and the black gang.

This matter cannot be made public at present. The entire left and the broad masses all are of this opinion. Making it public would pour cold water on them, and help the right. And the present task is to achieve a general defeat (it cannot be a complete one) of the right, and then in seven or eight years to have another movement for sweeping away the monsters and demons, and after there will need to be more sweeping. Therefore, these nearly black words of mine cannot be made public now. When they will be made public cannot be ascertained now, because the left and the broad masses do not welcome this sort of talk. Perhaps on some occasion after I die, when the right comes to power, it will be made public through them. They will use this sort of method of talking of mine to attempt to forever raise the black flag. But doing it this way, they then will suffer [as a result].

Since the defeat of the emperor in 1911, the reactionaries have not been able to hold power for long. The longest period did not exceed 20 years (Chang Kaishek), when the people rebelled, he also fell. Chang Kaishek used Sun Yatsen's trust in him to establish another Whampoa Academy, and he collected a large number of reactionaries. In this way, he rose up. As soon as he opposed the communists, almost the entire landlord and capitalist classes supported him. At that time, the Communist Party did not have experience. Therefore, he happily achieved temporary power. But in the course of these 20 years, he did not achieve total unification. [There was] the war between the Nationalist and Communist parties, the war between the Nationalist Party and various factions of warlords, the Sino-Japanese War, and the final four years of civil war. Then he beat-it—to a group of islands in the ocean.

If a rightist, anti-communist coup occurs in China, my conclusion is they will not have peace, and it is quite possible that it will be short-lived. This is because all the revolutionaries, who represent the interest of more than 90% of the people, will not tolerate it. At that time, the right will possibly use my words to secure power for some time, and the left then will definitely use other of my words, organize, and defeat the right.

This time, the Great Proletarian Cultural Revolution, is a serious manoeuvre. There are some regions (for example Beijing) where things are deep-rooted, and where things toppled within a day. In some apparatuses, (for example, Peking University, Tsinghua University), tree roots are intermixed together [i.e. there is a difficult and confused situation], and there was a quick collapse. Wherever the rightists are arrogant, they are defeated and then they are ever more miserable, and the left then gains in strength. This is a nationwide manoeuvre in which the left, right, and wavering unstable middle factions, all will acquire their own respective lessons. Conclusion: The future is bright, the road is tortuous—still these two old sayings.

The friend mentioned in the letter was, naturally, Lin Biao. At that time, Mao Zedong could only unite the cadres of the army in order to promote the continuation of the revolution under the dictatorship of the proletariat. However, Mao did not approve of Lin Biao's promotion of Mao's Quotations and the cult of the individual, but in order to launch the Cultural Revolution, he had to acquiesce "against his will". He did not actually have any confidence that the movement would be victorious. The movement was a continuation of the revolution under the dictatorship of the proletariat, against those in the vanguard who had gone against the masses, as never before in human history. It was for this reason, that the situation was so complex, that it was difficult to distinguish between truth and falsehood.

It was the vanguard that led the people's revolution, but now that the dictatorship of the proletariat had been achieved, it was very difficult to oppose the capitalists in the vanguard without experience.

It was even more difficult to establish new economic and political relations and culture. So, Mao Zedong saw it as a general exercise, and in fact a valuable legacy for the future when revisionism came to power and the people opposed it, so that they could see the nature of the capitalist restoration. To this day, it can be said that although the Cultural Revolution was ultimately unsuccessful, Mao Zedong's wishes were fulfilled. It is through this legacy of Mao that people have been able to analyse the facts of the restoration of capitalism in China. It can also be seen that Mao himself was very sober at the time, and that the claim that Mao was "senile" at that time was either ignorant or a deliberate slander.

When Mao returned to Beijing on 18 July, he was saddened by the sight of the revolutionary masses being brutally suppressed by the working group and said:

"It was so sad when I returned to Beijing that some schools were closed, and there was even a crackdown on the student movement. Who suppressed the student movement? Only the Beiyang warlords! No one who suppressed the student movement ended up well! The Communist Party is afraid that the student movement is anti-Marxist. This is a directional error, turn it around quickly and smash all the restrictions to pieces! Restricting the masses does not work. Beijing University saw the students rise up and decide on the restrictions, with the beautiful name of 'incorporating into the right track', but in fact it was incorporated into the evil track. Can they, dare they, get past this hurdle of socialism? This hurdle is the final elimination of classes and the shortening of the three major differences."

On 21 July, Mao Zedong again angrily rebuked the work:

"You have to change the policy of sending working groups. What role does the working group play now? One is that they hinder it, and two they will not. One is that they won't struggle, two is that they won't change. Some people don't think about it. First, they don't attend classes, second, they take care of food, and third, they want to make trouble, and making trouble is revolution. After the work team comes out, some of them will be restored, and restoration does not matter. Are some of our ministers are so reliable? Who is in control of some of the ministries and newspapers? Many work teams are obstructing the movement, such as Tsinghua and Peking University. The documents should be written immediately. Those who swear and write reactionary slogans cannot be arrested. The historical counter-revolutionaries should be left behind. Don't beat people up, tell them to release them! A few big-character posters and reactionary slogans are nothing to be afraid of!"

On 21 July, Wang Li and Guan Feng went to Tsinghua to visit Kuai Dafu, who was being held by Wang Guangmei's work team, and on 22 and 23 July, Chen Boda and Jiang Qing visited Peking University twice to investigate.

On 24 July, Chen Boda, Kang Sheng and Jiang Qing attended a mass meeting at the Beijing Broadcasting Institute, at which Jiang Qing said:

"Some students have opinions and say that you do not understand each other, but there will not be a great conflict between you, you cannot persecute them, you can only blame those who lead them behind the scenes. Your doors are closed tightly, there is a seal on the door, XX is not allowed to come, it is tighter than Zhongnanhai, I will come and set fire to it, I will protest. If you do not change, I will paint your doors black."

On 26 July, members of the Central Cultural Revolution Group went to Peking University for the fourth time and held a debate for 10,000 people. Under the arrangement of Zhang Chengxian, the head of the Peking University work team Li Yang Yang, speaking on behalf of 31 senior cadres, "sang the praises of the work team", arguing that the mistakes of the work team were "old revolutionaries meeting new problems", but this was refuted by others. Jiang Qing said at the conference: "Chairman Mao read all the notes handed in by the comrades yesterday, one by one. Chairman Mao knows the masses best, cares for them best and supports their revolutionary actions best!" At once, the students of the Peking University became emotional and slogans were raised.

Eventually, at Mao Zedong's insistence, on 28 July, the Beijing Municipal Committee issued a decision on the withdrawal of the work teams of the universities and colleges, announcing that the work teams would be withdrawn from the primary and secondary schools in Beijing and stating that this decision "also applies to secondary schools".¹⁶³ On 1 August Mao wrote back to the Red Guards of Tsinghua High School in support of their "rebellion":

"No matter where they are, in Beijing or anywhere in China, I will give enthusiastic support to all who take an attitude similar to yours in the Cultural Revolution movement..... As for those who have committed serious mistakes, after their mistakes have been pointed out you should offer them a way out of their difficulties by giving them work to do, and enabling them to correct their mistakes and become new men."¹⁶⁴

The "fifty days of white terror" and the suppression of the counter-revolution led a large group of young people to see clearly the direction of the revolution, and they decided that Mao stood for anti-oppression and anti-persecution, for turning over and liberating themselves, and for "justifying rebellion". The political integration of the Central Cultural Revolutionaries and the grassroots rebels began to take shape. Immediately, the debate over the withdrawal of the work team and the preservation of the work team intensified in the school, and by this time the students had clearly split into two factions: the rebel faction and the conservative faction.

However, at this time, many people did not yet recognise the face of the party bureaucrats, and with the confusion of the children of high cadres, many people were unsure of the direction of the Cultural Revolution. Moreover, many people were afraid to criticise the work teams when the future situation was unclear, and the political organisations of the rebels who had come out of the woodwork were not yet strong. As a result, the rebels did not have an advantage over the conservatives, who had relatively high social status, were often children of high cadres, and had bureaucratic support.

2. The Eleventh Plenary Session of the Eighth Central Committee

On 1 August 1966, the 11th Plenary Session of the 8th Central Committee was held. At the session on the 4th, Mao Zedong fiercely criticised the work teams.

"In the former Qing Dynasty, and the Northern Warlords who came later, and the Guomindang that followed, were all repressive of students. The present Communist Party also suppresses student movements, and what difference is there between this and Lu Ping and Jiang Nanxiang!? The Central Committee has ordered a suspension of classes for half a year in order to engage exclusively in the Great Cultural Revolution. But once the students arose, it again repressed them. The Central

¹⁶³ On 28 July 1966, Mao Zedong instructed that the University work teams be abolished.

¹⁶⁴ Mao Zedong: "Letter to the Red Guards of the Affiliated High School of Tsinghua University", in Mao Zedong's Manuscripts since the Founding of the People's Republic (vol. 12)

Committee itself disobeyed its own orders. The Central Committee has ordered a suspension of classes for half a year in order to engage exclusively in the Great Cultural Revolution. But once the students arose, it again repressed them. It was not because no one advanced dissenting views, but rather because no one listened to them. To put it lightly, this is a question of orientation. Actually, the question of orientation is a central question. It is a question of line which runs counter to Marxism, and is a problem which must be resolved by Marxism. I sense danger. They themselves ordered the students to make revolution, but when everybody rose up, they wanted to suppress them. The so-called orientation and line, the so-called trust in the masses, and the so-called Marxism are all false and have been for many years already. If you run into such things, they could blow up. They clearly stand on the side of the bourgeoisie and oppose the proletariat. You say to oppose the new municipal committee is anti-party. The new municipal committee suppresses the student movement so why not oppose it?

When Liu Shaoqi said, "I am in Beijing and I am mainly responsible for it," Mao Zedong sarcastically said, "You are dictatorial in Beijing, good job!" When Ye Jianying said, "We have millions of troops, we are not afraid of any cow demons and snake spirits", Mao interjected, "Cow demons and snake spirits, there are some here!" At this point, Mao was no longer prepared to show any mercy, and he brought the conflict into the open. On the 5th, Mao circulated at the meeting "Bombard the Headquarters – my first big-character poster".

China's first Marxist-Leninist big character poster and Commentator's article on it in *Renmin Ribao (People's Daily)* are indeed superbly written! Comrades, please read them again. But in the last fifty days or so some leading comrades from the central down to the local levels have acted in a diametrically opposite way. Adopting the reactionary stand of the bourgeoisie, they have enforced a bourgeois dictatorship and struck down the surging movement of the great cultural revolution of the proletariat. They have stood facts on their head and juggled black and white, encircled and suppressed revolutionaries, stifled opinions differing from their own, imposed a white terror, and felt very pleased with themselves. They have puffed up the arrogance of the bourgeoisie and deflated the morale of the proletariat. How poisonous! Viewed in connection with the Right deviation in 1962 and the wrong tendency of 1964 which was 'Left' in form but Right in essence, shouldn't this make one wide awake?

On August 6, Lin Biao returned to Beijing to attend the Eleventh Plenary Session of the Eighth Central Committee. This was actually due to the possibility of turmoil in the central government and the need for the military to provide stability. On the same day, with the Party already seriously divided, Chen Yun wrote to Mao Zedong, expressing his "full support for the policy adopted by Chairman Mao and the Central Committee." On 8 August, the Xinhua News Agency and the People's Daily published the Decision of the CPC Central Committee on the Great Proletarian Cultural Revolution, or the Sixteen Articles, which was drafted by Chen Boda, reviewed by Mao Zedong and adopted at the 11th Plenary Session of the 8th Central Committee, systematically explaining the theories and policies of the Cultural Revolution.

Although the bourgeoisie has been overthrown, it is still trying to use the old ideas, culture, customs and habits of the exploiting classes to corrupt the masses, capture their minds and endeavour to stage a comeback. The proletariat must do the exact opposite: it must meet head-on every challenge of the bourgeoisie in the ideological field and use the new ideas, culture, customs and habits of the proletariat to change the mental outlook of the whole of society. At present, our objective is to struggle against and overthrow those persons in authority who are taking the capitalist road, to criticize and repudiate the reactionary

bourgeois academic “authorities” and the ideology of the bourgeoisie and all other exploiting classes and to transform education, literature and art and all other parts of the superstructure not in correspondence with the socialist economic base, so as to facilitate the consolidation and development of the socialist system....

Some units are controlled by those who have wormed their way into the Party and are taking the capitalist road. Such persons in authority are extremely afraid of being exposed by the masses and therefore seek every possible pretext to suppress the mass movement. They resort to such tactics as shifting the targets for attack and turning black into white in an attempt to lead the movement astray. When they find themselves very isolated and no longer able to carry on as before, they resort still more to intrigues, stabbing people in the back, spreading rumours, and blurring the distinction between revolution and counter-revolution as much as they can, all for the purpose of attacking the revolutionaries....

When there is a debate, it should be conducted by reasoning, not by coercion or force. In the course of debate, every revolutionary should be good at thinking things out for himself and should develop the communist spirit of daring to think, daring to speak and daring to act. On the premise that they have the same general orientation, revolutionary comrades should, for the sake of strengthening unity, avoid endless debate over side issues....

In certain schools, units, and work teams of the Cultural Revolution, some of the persons in charge have organized counter-attacks against the masses who put up big-character posters criticizing them. These people have even advanced such slogans as: opposition to the leaders of a unit or a work team means opposition to the Central Committee of the Party, means opposition to the Party and socialism, means counter-revolution. In this way it is inevitable that their blows will fall on some really revolutionary activists. This is an error on matters of orientation, an error of line, and is absolutely impermissible....

In the course of the movement, with the exception of cases of active counter-revolutionaries where there is clear evidence of crimes such as murder, arson, poisoning, sabotage or theft of state secrets, which should be handled in accordance with the law, no measures should be taken against students at universities, colleges, middle schools and primary schools because of problems that arise in the movement. To prevent the struggle from being diverted from its main target, it is not allowed, under whatever pretext, to incite the masses or the students to struggle against each other. Even proven rightists should be dealt with on the merits of each case at a later stage of the movement....

the Cultural Revolutionary groups, committees and congresses should not be temporary organizations but permanent, standing mass organizations. They are suitable not only for colleges, schools and government and other organizations, but generally also for factories, mines, other enterprises, urban districts and villages.

It is necessary to institute a system of general elections, like that of the Paris Commune, for electing members to the Cultural Revolutionary groups and committees and delegates to the Cultural Revolutionary congresses. The lists of candidates should be put forward by the revolutionary masses after full discussion, and the elections should be held after the masses have discussed the lists over and over again.

The masses are entitled at any time to criticize members of the Cultural Revolutionary groups and committees and delegates elected to the Cultural Revolutionary congresses. If

these members or delegates prove incompetent, they can be replaced through election or recalled by the masses after discussion.



“谁去镇压学生运动？只有北洋军阀。凡是镇压学生运动的都没有好下场。”

——毛泽东

Above: Mao Zedong and Zhou Enlai at the 11th Plenary Session of the 8th Central Committee

On the 12th, at the end of the 11th Plenary Session of the 8th Central Committee, Liu Shaoqi was demoted from the 2nd to the 8th position in the Party, which in effect meant that he had basically fallen from power in the Central Committee; Lin Biao became the only Vice-Chairman of the Party; Peng Zhen, Luo Ruiqing, Lu Dingyi and Yang Shangkun were removed from the Central Secretariat; Tao Zhu was promoted to the 4th position after Mao, Lin and Zhou. In this way, the bureaucrats represented by Liu Shaoqi were temporarily defeated in the struggle within the Party, the Cultural Revolution faction came to power and the Cultural Revolution was really in full swing. On the same day, the Communiqué of the 11th Plenary Session of the 8th Central Committee was adopted, which, of course, contained words of personal worship that Mao accepted against his will, but refuted in due course.

"The Plenary held that the key to a good cultural revolution lies in trusting the masses, relying on them, letting go of them and mobilising them, and respecting their spirit of initiative. This requires adherence to the line of coming from the masses and going to the masses. Be a student of the masses first, then a teacher of the masses. We must dare to be revolutionary and be good at it. Don't be afraid to make a mess. Oppose taking a bourgeois stand, harbouring the rightists, cracking down on the leftists and suppressing the Great Proletarian Cultural Revolution. We oppose the creation of many restrictions that tie the hands of the masses. Oppose being an official and a lord, standing over the masses and directing them blindly.

We should warmly support the revolutionary left, pay attention to winning over all those who can be united, and concentrate our efforts on combating a small group of anti-Party and anti-socialist bourgeois rightists.

Comrade Mao Zedong is the greatest Marxist-Leninist of our time. Inheriting, defending and developing Marxism-Leninism with genius, and in a creative and comprehensive manner, Comrade Mao Zedong has raised Marxism-Leninism to a new stage. Mao Zedong Thought is Marxism-Leninism in an era when imperialism is heading towards total collapse and socialism is heading towards worldwide victory. Mao Zedong Thought is the guide for all the work of the Party and the whole country. The Plenary held that Comrade Lin Biao's call for the People's Liberation Army to launch a mass campaign to study the writings of Comrade Mao Zedong throughout the army has set a shining example for the whole Party and the

whole country. Arming the masses of workers, peasants, soldiers, revolutionary intellectuals and cadres with Mao Zedong Thought and further revolutionising human thinking is the most reliable and fundamental guarantee for preventing revisionism, preventing the restoration of capitalism and enabling our socialist and communist cause to achieve victory."

2. The Red Guard Movement

1. The struggle between the rebels and the conservative Red Guards

However, the mass movement had not yet achieved a real stage of victory. By the end of July, the work teams and the bureaucracy began to be under attack, so the children of high-ranking officials began to shift the focal point of struggle, changing the way they used to suppress revolutionary students, and leading the core topic of debate in colleges and universities to the issue of "class origin." On 29 July, the same day that the working group withdrew from the school, a couplet was posted at the Beihang High School: "If the father is a hero, so is the son. If the father is a counter-revolutionary, the son is a bastard. Horizontal scroll: basically the same." (*Couplets like this are usually written in vertical lines, one each side of a door frame. Above the door there can be a horizontal scroll bearing an inscription relating to the couplets – Trans.*). As the couplet spread among the high school, it sparked a major debate among the students and became the focus of the movement for several months. This couplet actually says that the children of party bureaucrats, whose fathers are heroes and whose children are also good men, should be in power even if they are in trouble with the Cultural Revolution; the Cultural Revolution should still be opposed by the "dead tigers", and the children of the "landlords, rich peasants, counter-revolutionaries, bad elements and rightists" are still "bastards". They directed the Cultural Revolution towards the "dead tigers" in order to protect themselves and their parents, the bureaucrats, and they established their legitimacy to lead the revolution through the "lineage theory". Many of the real children of workers and peasants, some of whom held a rebellious stance, but most of whom, in view of the lessons of the anti-rightist movement and because of their lack of understanding of the "lineage theory" and the real direction of the Cultural Revolution, went along with the conservatives. This gave the conservatives a strong organisational and bureaucratic backing as well as a numerical advantage.

On 1 August Mao Zedong wrote to the Red Guards of Tsinghua High School, mentioning that he would meet with them. The news spread rapidly among senior cadres and a large number of informed cadres organised Red Guards, also called "royalists" or "old Red Guards", but they only took the name of Red Guards and did not actually do what Mao Zedong supported. They were mainly protecting the interests of the bureaucratic clique and directing their attacks at the "dead tigers". Although the work team was withdrawn, the children of the cadres could still use their influence to control the direction of the movement through the newly formed "Cultural Revolution Committee", "Preparatory Committee", "Red Guards" and other organisational bodies. For example, at Tsinghua University:

Liu Tao	Daughter of State President Liu Shaoqi.	One of the main leaders of the "Three Provisional Committees" (the Provisional Committee for the Cultural Revolution, the Provisional Presidium, and the Provisional Headquarters of the Red Guards of Tsinghua University), one of the main persons in charge, and automatically director of the "Cultural Revolution".
He Pengfei	Son of He Long, Vice Premier of the State Council and	Director of the Provisional Preparatory Committee for the Cultural Revolution,

	Director of the National Sports Commission.	Director of the Provisional Bureau of the School, Director of the Cultural Revolution of the Department of Mechanical Engineering
Li Lifeng	Son of Li Jingquan, Vice-Chairman of the National People' s Congress.	One of the main leaders of the Cultural Revolution Preparatory Committee and the Provisional Bureau of the University, Director of the Cultural Revolution of the Department of Engineering and Materials
Liu Jufen	Daughter of Liu Ningyi, Secretary General of the NPC and Secretary of the Central Committee	Chief leader of the Red Guards at Tsinghua University
Qiao Zonghuai	Son of Vice-Minister of Foreign Affairs Qiao Guanhua	One of the main leaders of the "Three Provisional Committees", director of the "Cultural Revolution" in the Department of Mathematical Power
Hu Jinbo	Son of Hu Keshi, Secretary of the Secretariat of the Central Committee of the Communist Youth League	Head of the "Cultural Revolution" in the Department of Mechanics
Wang Xinmin	Son of Wang Weizhou, member of the Standing Committee of the Central Supervisory Commission	One of the leaders of the "Three Provisional Committees", responsible for the "Cultural Revolution" in the Department of Radio
Wang Sumin	Son of Wang Zheng, Minister of the Fourth Machinery Department	One of the leaders of the "Three Provisional Committees" and one of the leaders of the "Cultural Revolution" in the Department of Radio

For other schools there are:

Liu Pingping	Daughter of State President Liu Shaoqi	Director of the Cultural Revolution Preparatory Committee of the First Teacher's College
Liu Tingting	Daughter of State President Liu Shaoqi	Member of the Cultural Revolution Preparatory Committee of Teachers' University Girls' High School
Deng Rong	Daughter of Deng Xiaoping, General Secretary of the Central Secretariat	Member of the Cultural Revolution Preparatory Committee of Teachers' University Girls' High School
Deng Lin	Daughter of Deng Xiaoping, General Secretary of the Central Secretariat	Deputy Director of the Cultural Revolution Preparatory Committee of the Central Academy of Fine Arts
Deng Pufan	Son of of Deng Xiaoping, General Secretary of the Central Secretariat	"Internally appointed" member of the Peking University Party Committee
Chen Xiaolu	Son of Minister of Foreign Affairs Chen Yi	Leader of the Red Guards of the Beijing Boys' Eighth Form College, member of the "West City Pickets "
Dong Liangquan	Son of Dong Biwu, a veteran of the Chinese Communist Party	Leader of the Red Guards of Beijing Sixth Form College, member of the "West City Pickets",

		creator of the "Modern-day Jagged Cave" labour camp of Beijing Sixth Form College
Kong Dan	Son of Kong Yuan, Minister of Investigation and Xu Ming, Secretary General of the State Council	Leader of the Red Guards of the Beijing Boys' Fourth Form College, leader of the "West City Pickets"

In order to solve the problems caused by the bloodline theory, the central revolutionary faction also closely interacted with the grassroots rebels while fighting the central line, trying to avoid the division of the students caused by the bloodline theory, and to unite all the revolutionary forces to point the finger at the bureaucracy. In the early morning of August 2, Chen Boda, a member of the Central Cultural Revolution Group, met with representatives from both sides of the debate on the "blood lineage", pointing out that the couplet was "incomplete", "We don't need to fight the dead tiger that has fallen to the ground again", "If the father is a counter-revolutionary, so long as the son is a revolutionary, we can unite with him". He suggested that the couplet should be changed to: "If the parents are revolutionary, the children will be successors. If the parents are counter-revolutionary, the children will rebel against them. Horizontal scroll: As it should be." However, there was still no way to reverse the situation. On August 4, Jiang Qing delivered a speech at Peking University against the establishment of an "Association of the Poor". She saw this as a split and said, "I suspect that someone has deceived you again". In the early hours of 5 August, Zhou Enlai personally announced at Tsinghua University the vindication of Kuai Dafu, stating: "The Association of the Poor' is not the policy of our Party in schools." On 6 August, Beijing students influenced by the couplet held a debate at the Tianqiao Theatre, which was attended by Jiang Qing and Kang Sheng. Many of the students repeatedly insisted that "If the father is a hero, so is the son. If the father is a counter-revolutionary, the son is a bastard.", while Jiang Qing made a speech:

"What is the task of our Great Proletarian Cultural Revolution? First of all, to find out those in power who are taking the capitalist road, and secondly, to destroy old ideas, old culture, old customs, and old habits. The practice is called one fight, two criticisms, criticism of the bourgeois counter-revolutionaries and reactionary authority, and thirdly, reforms – the revolution in education. ..We must always uphold the truth and correct mistakes. If you are still standing here, you can't fight those guys, there is always internal tension. We have a lot of idioms from the past, so we won't force you to change them. You have invited us here, can we give you some ideas? Since the revolution is not afraid of any mistakes or shortcomings! I think it is more appropriate to adopt our ideas, or to change them, but I think is better: the children of revolutionary parents will succeed them, and the children of reactionary parents will rebel against them. As it should be."

..... I think the most fundamental thing is to unite all the people who can be united, so that we can isolate and fight the minority. In other words, it means uniting the middle and narrowing the fight against the isolated. This is what Chairman Mao taught us. The class ranks must be built up and the majority must be united in order to fight and criticise the reactionary academic authorities of the bourgeoisie and those in power in the Party who follow the capitalist path.

The first thing to look at is to look at a person's class position. The second is not to use the theory of the unique importance of class origin. We speak of the betrayal of the original class by individual elements of a certain class. Thirdly, we should focus on political and ideological performance and not look at the surface."

This is in fact a correct class viewpoint. There is a composition theory, but not a composition-only theory, which mainly depends on the political performance of people in the revolution. However, many people still insisted on their original position when revising the couplets:

“If the parents are revolutionary, their children will succeed them. If the parents are counter-revolutionaries, this will be very difficult. Horizontal scroll: As it should be.”

“If the father’s gun seizes state power, there will be stability. If the son’s belt protects state power, it will be safe. Horizontal scroll: Dictatorship to the end.” (*Some Red Guards used their leather belts to beat their enemies – Trans.*)

“The father breaks state power, revolution, revolution and revolution again. The son conquers heaven and earth, rebellion, rebellion and again rebellion. Horizontal scroll: Handed down from generation to generation.”

“The father’s revolution is against state power. The son’s rebellion is against state power. Horizontal scroll: Red from generation to generation.”

“The ancestors descended on the demons to kill and cut them down. The descendants subdued the demon cubs fiercely and kept them down. Horizontal scroll: Who dares turn the sky upside down?”

Since they were determined to protect the bureaucrats and divert the struggle, it could not be reversed by a few words from the Central Cultural Revolution Group. Soon the royalist Red Guards gained the initiative in the movement.

"It was not only a costume statement, but also a sign of the nobility of the red aristocracy, that the royalists had paired their father's old uniforms with the red armbands of the Red Guards. Wearing ill-fitting adult clothes, with wide belts around their waists, big leather boots and cuffs pulled up high, and with their mouths full of obscenities such as "old man, boy, son of a bitch, bastard", these childish dolls became idols for the youth to emulate..... At that time, there were 24 administrative levels in China, and parents whose administrative level was below 13 were not allowed. They believe that only with such an illustrious background could one be a "self-declared red". In contrast, within their organisation, they were assigned positions according to the official rank of their fathers, making them a group of "children of the Eight Banners". Such a strict hierarchy excluded not only the children of workers and peasants, but also the children of ordinary grassroots cadres.

On the one hand, with the unattainable entry barrier, and on the other hand, the blind admiration of young people in society, combined with the impulsiveness and naivety characteristic of youth, led to a tragedy: a 14-year-old girl asked to join the Red Guards, but was rejected by the Red Five on the grounds that she could not be "revolutionary enough" given her background. Without saying a word, the girl picked up a knife and went into the "cowshed" where the teacher was being held.¹⁶⁵ She stabbed him to death several times and

¹⁶⁵ The so-called 'cowshed' during the Cultural Revolution was not a shed where cows lived, but a place where capitalists were held in a unit, which could be a warehouse, a classroom, or an ordinary office. It could have been a warehouse, a classroom, or an ordinary office. Because the editorial in the People's Daily, written by Chen Boda, called capitalists "cow demons and snake spirits", the masses called the place where capitalists were held a "cowshed", which was in fact a product of the dictatorship of the masses. Those who were imprisoned were not sentenced to prison, but were subjected to different coercive measures depending on the size of the mistake they had made. After confessing their problems, some could go home in a few days. Some could go home every day, but they had to come in regularly to explain their problems, just as if they

then said to the Red Five in a high-handed manner: "Why am I not resolute enough for the revolution? Now it's time for me to join the Red Guards!" They thought they were born into the dictatorship, and their hatred of the "class enemy" was born in their mothers' wombs, and their hatred burned even more fiercely when their fathers were punished. Thus, we saw the resurgence of fascism in China in the 1960s.

They opened up several classrooms, locked the captured prisoners inside, and used these people to practice wrestling, fighting, grappling, boxing, etc., euphemistically called training camps. This is their private prison. Let's look at their court: like the county magistrate, sitting high on the teacher's podium, the leader tortured his former classmates and teachers one by one. The methods included: kneeling on glass, washing their faces with paint, bathing in boiling water and practicing hanging. The cruelty of the methods was directly comparable to that of the Japanese Unit 731 troops, which was truly appalling."¹⁶⁶

During this period, many literary figures, such as Lao She, became targets of the struggle of the Red Guards, who were brutally persecuted and many of them died. It is ridiculous that those at the backstage of the Cultural Revolution attributed all this to Mao Zedong and the rebels.

On the evening of 10 August, Mao Zedong met the masses at the Zhongnanhai Mass Reception Station and said, "You must be concerned about national affairs and carry out the Great Proletarian Cultural Revolution to the end!" The people's blood was boiling, they were excited and full of enthusiasm. However, in reality, the rebels and the royalist Red Guards were engaged in "two cultural revolutions": the rebels criticised the work teams, the bureaucrats and pushed for the continuation of the revolution, while the royalists shifted the focus of the struggle to criticise the "Black Five" categories. It is clear from this that the Cultural Revolution was not a destruction of the masses led by Mao Zedong alone, but a struggle between two lines from the centre to the grassroots.

On August 12, Beijing University of Technology posted a big-character poster titled "A Talk About the Couplet". The big-character poster was created by students from the school, Tan Lifu and Liu Jing. It deliberately distorted Jiang Qing's class views and vigorously defended the "lineage theory":

The couplet "If the father is a hero, so is the son. If the father is a counter-revolutionary, the son is a bastard. Horizontal scroll: basically the same", shook the heartstrings of almost everyone. The ambition of the heroes was greatly increased, and the prestige of the bastards was greatly destroyed... "If the father is a hero, so is the son. If the father is a counter-revolutionary, the son is a bastard. Horizontal scroll: basically the same" means that we are advocates of the theory of class origin. "Basically the same" means we are not its advocates only – this couldn't be clearer.

This big-character poster was copied and posted in various universities in Beijing. In response, the Central Cultural Revolution Group organised efforts to post "Comrade Jiang Qing's Speech to the Red Guards at the Tianqiao Theatre" in all universities in order to reaffirm the correct class views and revolutionary line. On 12 August, hundreds of thousands of Red Guards from Beijing secondary

were going to work. They were not allowed to be scolded and were given the necessary living expenses. Premier Zhou Enlai even warned all units in the later stages of the Cultural Revolution that forced confessions were strictly forbidden and that those under dictatorship were allowed the right to appeal and sue. "The Destruction of the Linkage".

¹⁶⁶ "The Destruction of the Linkage".

schools held a meeting in the Workers' Stadium to criticise the Central Committee of the Youth League, with the conservative faction, represented by the Peking University Secondary School, demanding a struggle against the "hooligans" and the rebel faction, represented by the Tsinghua Secondary School, demanding a struggle against the work teams. In the end, with the support of Wang Renzhong, Li Fuchun and others, the conservative viewpoint prevailed, and at this point, at the grassroots level, the leadership of the movement fell almost entirely into the hands of the conservatives who protected the bureaucrats.

When persuasion failed to unite the conservatives, Mao Zedong met the Red Guards for the first time on 18 August to show his support and encouragement for the rebels, who thus began to expand their ranks, resolutely opposing the "lineage theory" and targeting the Party bureaucrats.

In order to divert the target of the struggle, the old Red Guards pointed the finger at intellectuals, the Black Five (landlords, rich peasants, counter-revolutionaries, bad elements and rightists) and capitalists, and they also distorted the Four Olds in the Cultural Revolution, turning the revolution in the field of ideology and customs into vandalism.

On the evening of 17 August, the old Red Guards of Beijing No.2 Middle School met to discuss and decide to take action to smash the "Four Olds" in the service sector in Beijing, mainly targeting the consumption of luxury goods and clothing in society. On 18 and 19 August, the Red Guards of Beijing No.2 Middle School printed and distributed their leaflets, causing a strong reaction. On the 22nd, the Xinhua News Agency reported that the Red Guards had "violently attacked the customs and habits of the bourgeoisie". On the 23rd, the People's Daily published an editorial entitled "Well done!" On the 26th, the People's Daily published the full text of "Declaring War on the Old World", thus promoting the campaign to smash the Four Olds throughout the country.



However, since there were two lines of action for the two classes in the Cultural Revolution, there were also two lines of action for smashing the Four Olds. One line was supported and implemented by the Central Cultural Revolution Group and the rebels, mainly in the social and cultural spheres,

such as changing the names of shops, streets and schools; banning certain clothing and hair styles; "revolutionising" weddings and education, as well as opposition to the system of high salaries and interest rates and to privileges in education and health care, and demands aimed at reducing the physical workload of workers. During the Cultural Revolution, the bonus system and material incentives were abolished, fixed interest was suspended, private property was confiscated, and privileges were abolished in order to gradually break down bourgeois right and reduce divisions, which were in fact the same as some of the ideas put forward by the rebel faction in smashing the Four Olds. Although some of the ideas of the rebels were radical, they were mainly on the side of the proletariat and they needed to be guided and organised.

However, as this line touched on the interests of the bureaucrats, the conservatives soon proposed a different line to defend what should have been destroyed. Within two or three days, the "smashing of the Four Olds" developed into widespread destruction of cultural relics and monuments, smashing of churches and monasteries, burning of books, beating, imprisonment, torture, raiding of homes, and expulsion of the "five categories of elements" - the landlords, the rich peasants, the counter-revolutionaries, the bad elements and the rightists - to their original homes. In the midst of all this, many literary figures were branded as "reactionary academic authorities" and persecuted to death. However, after the end of the Cultural Revolution, all these acts against the Cultural Revolution, against the continuation of the revolution under the dictatorship of the proletariat, became the crimes of the Cultural Revolution, the crimes of the proletariat and its class representatives, which was simply a reversal of black and white and confusion of right and wrong.

On 24 August, the leaders of the Tsinghua Red Guards, Liu Tao, daughter of Liu Shaoqi, and He Pengfei, son of He Long, with the support of the Provisional Preparatory Committee of Tsinghua University, and the conservative Red Guards of Tsinghua Affiliated High School, drew up a plan of action to organise the royalists of 12 schools in Beijing to take over Tsinghua Park and suppress the Tsinghua rebels. They first assembled in the playground of Tsinghua High School, where He Pengfei gave a "pre-war rally", accusing the criticism of Liu Shaoqi of "pointing the finger at the Party Central Committee and Chairman Mao", while Liu Tao advocated that "only the leftists are allowed to rebel and the rightists are not allowed to turn the tide". In the afternoon, the "12 Schools United Army" stormed into Tsinghua Park with belts and sticks, dispersing the Red Guards of the rebel faction who were meeting in the auditorium, surrounding the big-character poster area, beating students reading the big-character posters, tearing up the big-character posters exposing and criticizing Liu, Deng and Bo, as well as the big-character posters of the school's anti-Preparation Committee, tightly sealing off the big-character poster area in the auditorium, and imposing martial law. They also sent special staff to transcribe the content of the big-character posters and the names of their authors. Afterwards, they demolished the "Qinghua Garden" pagoda, beat up members of the "First Red Crag Combat Group" who had written big-character posters criticising Liu Shaoqi, and marched around the campus for a week to demonstrate. In the evening, 12 institutions of conservative Red Guards chanted the slogan "Only the leftists are allowed to rebel, not the rightists" and held a demonstration to "suppress the rightists", staging the so-called "Red Terror". They forced the upper and middle cadres of Tsinghua to dismantle and carry the bricks and stones of the Second Campus Gate, raided the homes of the so-called "gangsters", dragged a large number of upper and middle cadres from their homes to the West Steps, beat them with military belts with brass heads¹⁶⁷ and

¹⁶⁷ These military belts with brass heads were not a commodity and at the time were one of the special marks of the sons and daughters of the cadres.

then imprisoned them for a fortnight of torture.¹⁶⁸ Similar actions took place that night at Peking University, Beihang University and many other places outside Beijing. The first criticism of Liu Shaoqi during the Cultural Revolution was suppressed by a barrage of punches, sticks and copper-headed belts from the "self-declared reds".

The bureaucrats also used their own machinery of violence to cheer on the rebels. In Lanzhou, Shaanxi and other places, the authorities used armed troops and police against the rebels and allowed the conservative masses to kill people. On 21 and 22 August, the Central Committee issued "The Central Committee of the Communist Party of China agrees with the regulations of the Ministry of Public Security on the strict prohibition of using the police to suppress the revolutionary student movement", prohibiting this practice and demanding that "it is forbidden to use any excuse to use the police to interfere with or suppress the revolutionary student movement" and that "it is absolutely forbidden to shoot at revolutionary teachers and students, and it is absolutely forbidden to use empty guns for intimidation".

2. The rebellion is in full swing

"Officials forced the people to rebel, and the people had no choice but to rebel." Many students who had originally held a neutral attitude, under such violent actions and encouraged by Chairman Mao, finally stood on the side of the rebels, and the strength of the rebels expanded rapidly. Since the proletariat itself is the majority, with the development of the movement, people had become more and more aware of the bureaucracy, and gradually joined the ranks of the revolution. On August 31, Mao Zedong received 500,000 Red Guards at the "Meeting of Revolutionary Teachers and Students from Other Areas in Beijing". Lin Biao and Zhou Enlai both stressed at the mass meeting that "we should use reason, not armed force, and not beat people up". Lin Biao also said, "The Cultural Revolution has touched on politics and the economy, and the fighting, criticism and reform in schools has developed into social fighting, criticism and reform", again explaining that the idea of the Cultural Revolution was to change society. "We must grasp the general direction of this struggle." This was in fact an affirmation of the line of the rebels.

On 5 September, the Central Committee issued a notice on organising revolutionary teachers and students from all over the country to visit Beijing to see the Cultural Revolution, officially organising the Red Guards in large numbers. At the same time, the rebel Red Guards began to travel north and south to support and mobilise students who had been suppressed by the conservatives to revolt. The leaders of the southern provinces and cities suppressed the Red Guards in the name of "arresting a handful of southerners" and "arresting the black devils", and there were constant clashes.

At the same time, on 5 September, the People's Daily published the article "Use Reason, Not Force". It criticised the conservatives for their "smashing and looting" and other atrocities.

"Comrade Mao Zedong repeatedly told us that the Great Proletarian Cultural Revolution was a great revolution that touched people's souls. He also said that to realise this great revolution, we should use reason, not force.

The soul of the people is the mind, the ideology, the culture that prevails in society, the customs and habits that are linked to the mind and ideology of the people. **These are the**

¹⁶⁸ Shen Ruhuai, *The Chronicle of the Cultural Revolution at Tsinghua University - Autobiography of a Red Guard Leader*, Hong Kong: Times Art Publishing House. 2004

problems in people's minds. *(Highlighted passages here and elsewhere are as written in the original – Trans.)*

Comrade Mao Zedong and the Party Central Committee advocate that during the Cultural Revolution, full use should be made of big-character posters, big debates, and big calls for action. All these require the use of the pen and the mouth. **To move the mouth and the pen, we must use our brains and let the masses exercise their creativity, their wisdom and genius.** In the Great Proletarian Cultural Revolution, it is a great thing to learn to fight by reason and to use one's brains.

Comrade Mao Zedong has always told revolutionaries to be good at using their brains. He pointed out: "We must promote thinking, learn how to analyse things and develop the habit of analysis.

This shows that the rebels were actually against violence, while the conservatives had the machinery of violence in their hands and were the perpetrators of violence. To further encourage the rebels, Mao met with the Red Guards on 15 September, 1 October, 18 October, 3 November, 11 November and 25-26 November, holding eight parades and meeting 11 million people.

By October, the rebels already had the advantage, and the time was ripe for a full-scale counter-offensive. On October 1, National Day, Mao Zedong received 1.5 million Red Guards in Tiananmen Square. On October 3, the 13th issue of "Red Flag" magazine published an editorial, demanding that "the reactionary line of the bourgeoisie must be thoroughly criticized", officially opening the prelude to "criticizing the reactionary line of the bourgeoisie". On October 5, the Central Military Commission issued an "urgent instruction", announcing the cancellation of "the regulation that the military academies' Cultural Revolution movement will be led by the Party committees of the academies after the withdrawal of the work team", and that "the restrictions that binds the mass movement must be eliminated." On October 6, the "Three Red Divisions" held a rally of 100,000 people, calling on all parts of the country to "take fire at the bourgeois reactionary line!". Zhang Chunqiao announced at the meeting that the entire party must "resolutely implement" the "emergency instructions".

Following the fierce criticism of Tan Lifu's speech by the rebel students, Zhang Chunqiao said in a talk on 9 October that Tan Lifu "represents a class", and Zhou Enlai commented that he was "typically 'left' in form but actually very right." On 16 October, Chen Boda made a lengthy speech at the Central Working Conference entitled "Two Lines in the Great Proletarian Cultural Revolution" in which he criticised Tan Lifu:

"The line of the Great Proletarian Cultural Revolution proposed by Chairman Mao is a line that allows the masses to educate themselves and liberate themselves. However, the representatives of the wrong line are opposed to allowing the masses to educate themselves and liberate themselves. **In this great revolution which has touched people's souls, they have brought in the 'discipline and rule' of the Guomindang.**

Although the work teams were withdrawn, those who did not agree with Chairman Mao's line could still make use of their authority and use other forms of representation. For example, in some schools and institutions there are people who, in total contradiction to the principles of the Paris Commune as instructed by the Party Central Committee, pre-designate and secretly manipulate the establishment of so-called 'Cultural Revolution Preparatory Committees', 'Cultural Revolution Groups', 'Cultural Revolution Committees' or whatever. or some other organisation. Even when a large number of revolutionary

teachers and students from all over the country came to the capital to see Chairman Mao, some places also organised a small group of people to follow them, propagating their own opposition to the Central Committee's decision on Article 16, in an attempt to crack down on those revolutionary teachers and students who came to the capital.

Only 12 days after the Central Committee adopted the Sixteen Articles, a member of the Cultural Revolution Preparatory Committee of a university came out and made a speech against the Sixteen Articles. This speech went viral. Some people had no interest in the central decision made under the auspices of Chairman Mao himself, but they regarded that speech as a treasure, reprinted it and broadcast it. it does not do class analysis, does not divide things into two, but is only drunk with the idea that 'the sons of high cadres should be in power', which is completely out of the proletarian track and runs completely counter to Mao Zedong's thinking. Why must they be in power just because they are children of high cadres? Is it because they are of noble descent?

..... I personally believe that **in some schools and some units, it is not beneficial for the children of high cadres to hold leadership positions, it is not good for our future revolutionary cause, and it is not good for themselves.** Some are quick to take countermeasures. They said, 'The Central Committee has instructed (and there is no such instruction) that children of senior cadres should not be leaders of the Red Guards. We have to take the initiative while the masses are not aware of it'. So he used the golden cicada method of getting out of his shell to resign from his post and appointed a person who he thought was the 'firmest' position to take over."

At the same time Liu Shaoqi and Deng Xiaoping made self-criticisms.

On 24 October, Mao Zedong fiercely criticised the bureaucrats in his speech, "Having engaged in first- and second-line work, a considerable number of independent kingdoms have emerged. Before the Eleventh Plenary Session, I was on the second line and did not preside over the day-to-day work, leaving many things to others, trying to build up their prestige among the masses so that the country would not be so shaken when I met Marx. But the comrades on the front line didn't handle it so well." And he talked about the question of origins, "Some of the students are not well-born, but are we all well-born? You can't help it, but you can choose your own path!"

On 6 November the Central Committee issued the "Supplementary Regulations of the CPC Central Committee on the Handling of Archival Materials in the Great Proletarian Cultural Revolution", declaring that "all archival materials prepared by schools and units for the whole masses during the Cultural Revolution should be declared invalid, erased and burned in public". On 8 November, Nie Yuanzi and others put up a large-character poster reading "Deng Xiaoping is the second most powerful party official on the capitalist road", and "revolutionary generals" all over the country responded. On December 12, the "Red Flag" of Beihang and the "Eastern Red" of the Geological Institute held a criticism meeting in the Workers' Stadium, and fought against Peng Zhen, Liu Ren, Wan Li and Zheng Tianxiang. On 14 December, the "revolutionary rebels" of the Beijing literary and artistic circles held a meeting of 10,000 people at the Workers' Gymnasium, where they confronted Lu Dingyi, Zhang Wentian, Lin Feng, Yang Xianzhen, Li Weihai, Jiang Nanxiang, Lu Ping and others. On December 24, the rebels of the military academy held a 10,000-strong meeting in the workers' stadium to fight against Luo Ruiqing, Xiao Xiangrong and Liang Biye, and on December 27, the "Political and Legal Commune" fought against Zhou Rongxin and Yong Wentao in the workers' stadium. On 4 January 1967, the Central Conservatory of Music and the Central Academy of Drama confronted Peng Zhen, Luo Ruiqing, Lu Dingyi and Yang Shangkun at the Workers' Stadium. On the

same day, when Jiang Qing and Kang Sheng met with the "Rebel Team from Wuhan to Guangzhou to Arrest Wang Renzhong", they announced that Tao Zhu, the "No. 4 figure in the Party", was "a faithful implementer of the bourgeois reactionary line" and "the biggest royalist in China".

Finally, after the perverse actions of the "50 Days of White Terror" in June and July, the brutal suppression by the conservative Red Guards in August and September, and the all-out counter-attack in October and November, the capitalist-roaders were temporarily defeated at both the central and grassroots levels through the joint struggle of the Central Cultural Revolutionaries and the grassroots Cultural Revolutionaries, and the initiative of the movement finally returned to the rebels.

3. The frenzied backlash of the sons and daughters of the bureaucracy

However, as the rebels regained dominance, the behaviour of the conservatives became more and more extreme. When they lost their dominance, when the bureaucrats were losing their position, they wanted to rebel wildly, and their behaviour was outrageous.

On 18 November 1966, the Beijing Municipal Committee issued an important circular prohibiting "private detention centres, private public halls, private arrests and torture." On 16 December, with the support of the Central Cultural Revolution, the Red Guards of Beijing's secondary schools held a "Conference Pledging to Criticise the Bourgeois Reactionary Line" and announced their decision to disband and ban the various "Red Guard pickets".

On 27 November, the "Capital Middle School Red Guards Joint Action Committee" (JAC) was formed (*hereinafter referred to as the Linkage - Trans.*) and on 5 December issued its "Founding Declaration" in which they threatened that "the Central Cultural Revolution has forced us into a corner, so we have to oppose it!" They also declared their "loyalty to Marxism-Leninism and pre-1960 Mao Zedong Thought". This was an organisation of senior cadres united by the core forces of the "Western", "Eastern" and "Sea" cadres. The leaders were Niu Wanping, Gong Xiaoji, Bu Dahua, Yang Jiping, Zou Jianping and Su Zensheng, and even Dong Biwu's son, Dong Lianghai, was involved. Depending on their rank and status, members wore armbands of different textures (tweed, velvet, satin, silk and cloth) and sizes (8", 7" and 5"). The members of the Linkage were mainly secondary school students, while students such as Tan Lifu and Li Hongshan played more of a theoretical role.

On 18 December Tan Lifu, a conservative "theoretical authority", was arrested. The agitated rebels, who had been suppressed by the conservatives for a long time, put forward the slogan "Throw the ashes of Tan Zhengwen¹⁶⁹ out of Babaoshan" and prepared to hold a city-wide conference to criticize the "lineage theory" and fight Tan Lifu, but were stopped by Zhou Enlai. On 25 December, under the auspices of the Central Cultural Revolution Group, the Beijing rebels held a "meeting pledging to completely overthrow the bourgeois reactionary line represented by Liu and Deng" and held a demonstration, openly shouting the slogans "Down with Liu Shaoqi! "Down with Deng Xiaoping!" "Fight Liu and Deng to the bitter end!" ".

Conservatives also engaged in tit-for-tat struggle. On December 26, Linkage held a "Private Oath-breaking Conference" at the Beijing Exhibition Centre. At the conference they chanted "Down with the 'Red Third Division'!" "Long live Liu Shaoqi!" "Oppose stalking the seniors!" and other "No to the indiscriminate seizure of old-timers!", and some people shouted "Some people in the Central Cultural Revolution should not be too crazy." From 26 December 1966 to 11 January 1967, the

¹⁶⁹ Father of Tan Lifu, former Deputy Procurator-General of the Supreme People's Procuratorate

Linkage staged a farce, storming the Ministry of Public Security on six occasions" to rescue the arrested people".

On 26 December, the day of the Linkage meeting, two Linkage members were caught robbing a motorbike by the Beihang rebels, the "Red Flag Combat Team", and were taken to the Ministry of Public Security. This was the first time that Linkage had stormed the Ministry of Public Security to rescue the "brothers in distress". On the night of the rescue operation, Linkage not only injured staff of the Ministry of Public Security, but even a deputy minister who arrived to mediate was beaten, but the rescue was unsuccessful.

From 28 to 29 December, several hundred thugs were mobilised by the Linkage to take over the reception room of the Ministry of Public Security, beating up the staff and shouting "Down with the Ministry of Public Security! The "decentralisation of the Ministry of Public Security" not only succeeded in snatching away two "brothers in distress", but also tied up three public security officers in the auditorium and mobbed them until people came around to show their solidarity.

From 31 December to 1 January, a hundred people were mobilised to storm the Ministry of Public Security again, injuring two people.

From 6 to 7 January 1967, they gathered more than 100 people and openly stormed through the gates of the Ministry of Public Security, scattering leaflets and posting slogans, smashing the auditorium and running into the Ministry's canteen, sweeping away 40 to 50 pounds of vermicelli and cooked pork, with the slogan "The pork at the Ministry of Public Security is damn good!" But the Ministry of Public Security broadcast their atrocities, and a large number of rebels came to show their solidarity.

On January 8, they gathered 500 to 600 people armed with kitchen knives and daggers, chanting "Down with the Third Red Division!" (*The Red Guard Revolutionary Rebellion Command of the Capital Colleges and Universities, also known as the Third Headquarters of the Capital Red Guards, and referred to as the Third Division of the Capital, was established on September 6, 1966 – Trans.*) "Down with Jiang Qing!" They stormed the Ministry of Public Security again and attacked the PLA guards with "two-kickers" (*a type of firecracker whose gunpowder is divided into two layers with cement or earth - Trans.*) loaded with iron spikes.

On 11 January 1967, the Linkage again gathered 500 or 600 thugs to storm the Ministry of Public Security for the sixth time. However, as the people were determined to defend the Ministry of Public Security, they failed to do so, and had to present the Ministry with the so-called "ultimatum" of decentralisation, shouting "Fry Jiang Qing!", "Down with Chen Boda! "Down with Xie Fuji!" and finally even "Down with Zhou Enlai!".

In the schools of the cadres' children, they tore up books, destroyed teaching specimens and instruments, smashed classrooms, dismantled desks, chairs and benches, ate and drank indiscriminately, beat "scumbags" and "hooligans" without reason. The Linkage was a terrorist organization that was blatantly robbing and attacking rebels and even ordinary citizens. According to statistics, the damage caused by the Linkage in the three schools for the children of high cadres alone amounted to 1.45 million yuan.

The social terror of the Linkage had already aroused the discontent of all parties, and the rebels, on the one hand, vented their anger on the leading cadres who were the "black hands backstage" and, on the other, began to deal with the Linkage. "On 17 January 1967, Minister of Public Security Xie Fuzhi stated in a speech: "The Ministry of Public Security must protect the leftists, counter the

rightists and suppress counter-revolution. For example, the 'Joint Action Committee' and the Xi'an 'Red Terrorist Squad', these organisations are reactionary and their heads are counter-revolutionary." Then, firstly, the Red Guards of the capital's high schools held a "conference to thoroughly criticise the Linkage" in Beijing, calling on the majority of high school students to draw a clear line with the Linkage and dismantle it from within. In secondary schools, rebel Red Guards were formed one after another and launched a "central flowering" attack on the Linkage; Red Guards in universities and colleges launched direct attacks on the Linkage. From 17 January onwards, the Ministry of Public Security, with the cooperation of the rebels, began to arrest members of the Linkage. The rebel faction destroyed the positions of the Linkage in Beijing 101 High School, Beijing Industrial College High School, Beijing Petroleum College High School, NPC High School, Peking University High School, Eleventh School, Bayi School, Jingshan School and Yuying School, arresting 139 people in total.

In the end, the atrocities of the sons and daughters of the cadres ended in failure under the crackdown of the central government and the revolutionary faction at the grassroots level. For eight months, from the May 16 Circular until the beginning of 1967, they had exercised a fascist dictatorship and committed brutal atrocities to protect their own interests and those of their bureaucratic parents. It was these atrocities that educated the proletariat and students to stand up and liberate themselves, to understand clearly the nature of the bureaucrats, and to rise up and continue the revolution.

3. "January Storm"

In 1966, the Cultural Revolution was mainly confined to students and intellectuals and the central government, but with the victory of the rebel Red Guards, they began to try to combine the student movement with the workers' movement to further struggle against the bureaucrats and to promote the revolutionary transformation of social relations. On 30 November 1966, the "East Is Red Commune" of the Beijing Mechanical College published a big-character poster, "Go to the factories, study, carry out propaganda and fight", and the Red Guards began to enter the factories in an organised manner to mobilise workers to fight against the "capitalist-roads' power" in the industrial and mining enterprises.

"This legitimate demand of the revolution was repeatedly and unreasonably rejected by the Factory Preparatory Committee headed by Lu XX and the Provisional Factory Party Committee headed by Chen XX. Since the Cultural Revolution, the Preparatory Committee of the First Bed Factory headed by Lu XX had been carrying out a bourgeois reactionary line. The revolutionary workers who disagreed with them were expelled from their factories and condemned back to their places of origin, and the revolutionary masses were subjected to appalling political persecution, which suppressed the revolutionary enthusiasm of the masses of workers for a long time. ...

With the support of the revolutionary masses and after many struggles, we finally broke through the difficulties and obstructions of a small group of representatives of the bourgeois reactionary line in the First Bed Factory, who were the power behind the capitalist road, and gained the right to enter the factory. After joining the factory, we went into the workshops for half a day to participate in production work, and also went into the factory dormitories to talk to the master workers, to understand the situation of the revolutionary workers in the factory who were persevering in their struggle and to learn from the working class. At the same time, we also helped our masters to copy big-character posters, print and

distribute leaflets, propagate Chairman Mao's revolutionary line among the workers, and together we opened fierce fire on the bourgeois reactionary line.

From this big-character poster onwards, the Red Guard movement and the workers' movement gradually merged, so that the struggle in the ideological and political spheres began to be translated into the transformation of production and political relations, and the Cultural Revolution reached its climax. Because this was the inevitable logic of the Cultural Revolution, the Central Cultural Revolution faction also expressed support for this move. On 9 December, the Central Committee of the Communist Party of China issued the Ten Provisions on Grasping the Revolution and Promoting Production (the Ten Industrial Provisions), declaring that workers could participate in movements outside the eight-hour working day and "have the right to establish revolutionary organisations", and that workers could "send representatives to schools in the city to develop revolutionary ties". At the same time, it is stipulated that Red Guards can go to factories and mines to carry out "revolutionary ties."

On 15 December, the Central Committee of the Communist Party of China issued a draft instruction on the Great Proletarian Cultural Revolution in the countryside, stipulating that "the Four Clean-up Campaigns should be incorporated into the Great Cultural Revolution" and that Red Guards should be established and developed in the countryside. The children of leading cadres at all levels should not, as a general rule, hold leading positions in the Red Guards. The "Four Big Democratic Rights", that is, "the right to speak out freely, air views fully, hold great debates, and write big-character posters", were launched. It was announced that "no reprisals were to be taken against revolutionary masses who presented their opinions to the leaders and posted big-character posters during the Cultural Revolution, and no work points were to be deducted. Revolutionary masses who were branded as counter-revolutionaries or saboteurs because of their opinions should be rehabilitated." In this way, the Cultural Revolution spread to all social spheres, and a continuing revolution began throughout society.

As the Cultural Revolution began to touch on the reality of changes in economic and political relations, it was met with even stronger resistance from local and grassroots bureaucrats. Thus the "evil wind of economism" arose at the end of 1966. In order to resist the "criticism of the reactionary bourgeois line", the capitalist-road leaders took the initiative to encourage strikes and absenteeism from work, leading to work stoppages and transport paralysis. For example, Lu Zhengcao encouraged the Ministry of Railways to go on strike and stop the trains from running, the Ministry of Petroleum Industry encouraged the oil fields to stop production, and the conservative organisation "Red Guards" in Shanghai threatened the rebels with water and electricity cuts. The regime also used indiscriminate subsidies and long wages to buy off conservative workers and break up the rebellion, such as paying workers in some factories in Shanghai three months' wages in advance. This was in fact a way of using the people's property to buy them off, and it was not sustainable. It was impossible to buy all the workers, but it did create divisions among them. Such actions educated the people even more that only through their participation in the management of production could the unreasonable system be truly changed, the division between mental and manual labour be reduced and bourgeois right gradually eliminated, while avoiding such resistance to the revolution by the powers that be.

In Shanghai, the conflict between the rebel "Workers Revolutionary Rebels General Headquarters" and the conservative "Red Guards" gradually intensified, and the "Red Guards" even threatened the rebels with power cuts. On December 30, the "Kangping Road Incident" occurred in Shanghai, and the "General Headquarters" completely defeated the "Red Guards". The domination of the "General Headquarters" laid the foundation for the seizure of power. In early January, Zhang Chunqiao and

Yao Wenyuan went to Shanghai to plan to seize power as "Investigators of the Central Cultural Revolution Group". On 6 January, Wang Hongwen led the "General Headquarters" and other rebel groups to convene a general meeting and forcibly dragged the leaders of the CPC Shanghai Committee and the municipal government, Chen Pixian and Cao Diqu, to the Shanghai People's Square to criticise them and announce the overthrow of the CPC Shanghai Committee. After the meeting, all institutions of the municipal committee and the municipal government ceased to work. This was the "January Revolution" or "January Storm". On 9 January 1967, Mao Zedong, referring to the Cultural Revolution within the authorities, said, "Our government used to be made up of a small number of cadres sent from above and the vast majority of personnel retained below, not a government won by the workers and peasants who rose up in revolution. This will easily give rise to feudalism and revisionism." On the same day, the People's Daily published the Shanghai Rebels' "Letter to the People of Shanghai", and the Editor's Note, which was reviewed by Mao Zedong, fully affirmed the seizure of power. On 22 February, the People's Daily published an editorial which considered the "January Storm" to be "a great beginning of a comprehensive class struggle throughout the country this year" and called for "a bottom-up seizure of power from a handful of power-holders in the Party who have taken the capitalist road and those who adhere to the bourgeois reactionary line. On 5 February, the "Shanghai People's Commune" was formally established. It declared: "The organising principle is democratic centralism as taught by Chairman Mao. Its leading members will be elected by the revolutionary masses in accordance with the principles of the Paris Commune after the victory of the comprehensive bottom-up seizure of power in Shanghai."

This brought about a change in political relations in which the people could elect and replace public officials and had the four democratic rights, which was in fact a major step forward for the dictatorship of the proletariat. It was not the case that all former leaders could not become public officials. As long as they were not capitalist-roaders, did not obstruct the change in political relations, or were reformed cadres, they could participate in the new leadership. The overthrow of the party committee was not a rejection of the party leadership, but a new party committee had to be set up because the old one was controlled by capitalist-roaders, and this was in line with the party's organisational principles. This was not the same as anarchism because it did not mean the abolition of dictatorship, it did not mean the removal of power, it meant that the people were better able to take control of power. It changed the old political structure and allowed society to continue its march towards communism.

The Cultural Revolution moved from cultural criticism and mass rebellion to a full-scale seizure of power. The seizure of power intensified the contradictions within the rebels, and in some areas the rebels split over power, or over minor differences. The Chongqing students' organisation "August 15th" and the workers' rebel army jointly set up the "Chongqing August 15th Faction Joint Command", which soon changed the situation in Chongqing. In order to divide the rebels, the Chongqing Municipal Committee sent three bulletins to the August 15th Movement, saying that "the students had won the world and had easily given it to the workers". On the eve of the seizure of power, Xiong Daifu¹⁷⁰ of the major "August 15th" General Committee surrounded the office with

¹⁷⁰ Xiong Daifu, a member of the pre-Cultural Revolutionary League branch. In July-August, during the period of Zheng Siqun's criticism, Xiong Daifu, a member of the second class of the 69th steelmaking class of the metallurgical department, was the first to set up the "Iron Broom" fighting group, which engaged in group combat. He was the de facto leader of the "August 15", and in February 67 he became the deputy director of the Revolutionary Federation, and in June 68 he became the deputy director of the Municipal Revolutionary Committee. Xiong was very active in the armed struggle, and was active in anything that helped to split the rebels. Huang Lian said: "Xiong Daifu was not touched at all after the crushing of the Gang of Four, and some

dozens of people and split the official seal of the command in half, announcing the dissolution of the Joint Command. From then on, the Chongqing Workers' Rebellion and the August 15th students were never united again, and the seeds of factional warfare and armed fighting were sown.¹⁷¹

At the same time, some of the rebels were brutalising many cadres with a vengeance. Some of the tortures used by the conservatives to fix people, such as the "jet plane position", (*two people, one on each side, forced the victim's arms backwards, while a third seized the person's hair and pulled their head downwards, resembling a jet plane* – *Trans.*) were also used by the rebels. The Central Committee took timely measures to rectify these problems. The two newspapers and one journal (*During the Cultural Revolution, People's Daily, Jiefangjun Daily, and Red Flag magazines often jointly published editorials or articles, giving them the name of "two newspapers and one periodical"* – *Trans.*) began to focus on publishing articles criticising the slogan "Doubt everything, overthrow everything", arguing that "Doubt everything, overthrow everything" was a remnant of the slogan "Fight on a large scale", and a "conspiracy of the bourgeois reactionary line", and repeatedly persuaded the rebels that the "capitalist-roaders" were only a small minority. For the vast majority of cadres, it was hoped that they would continue to be appointed after education, not simply "knocked down". The Central Committee also banned national mass organisations¹⁷² and did not allow mass organisations to fully replace the role of the state and the Party, allowing the rebels to storm the state apparatus with the intention of "comprehensively exposing our dark side from the bottom up" and establishing a new revolutionary regime.¹⁷³ The aim of the Cultural Revolution was the transformation of political relations, and with the victory of the central revolutionary faction, the transformation of production and political relations should be carried out at the local level, not without the Party, which would otherwise be petty-bourgeois anarchism. At the same time, the idea of "overthrowing everything" was a petty-bourgeois metaphysical idea that was not capable of uniting the majority of the people and of analysing specifically the social relations that needed to be transformed, but of absolutely overthrowing everything.

Persecution of individuals is also a bourgeois line, not conducive to uniting the majority, nor is it the proper conduct of a proletarian revolution, Mao Zedong wrote to Zhou Enlai on 27 December:

"Recently, quite a few revolutionary teachers, students and revolutionary masses who came to Beijing wrote to me and asked me whether it would be considered a military fight to wear high hats, slap faces, and parade through the streets those cow demons and snake spirits in power who are taking the capitalist road.

said he was sent in by the Municipal Cultural Revolution Committee". After the June 5th Incident, he was captured and disabled by the anti-fundamentalists and withdrew from the faction. June 1973-March 1979, elected secretary of the Sixth Chongqing Committee of the Communist Youth League of China and deputy secretary of the Fifth Sichuan Provincial League Congress. Now owner of Chongqing Angel Technology Co.

¹⁷¹ This example is taken from Huang Lian, *An Oral History of the Cultural Revolution in Chongqing*. With deletions.

¹⁷² On 12 February 1967, the CPC Central Committee and the State Council issued a circular on the banning of national mass organisations. The circular stated: "The Central Committee and the State Council of the Communist Party of China have decided that: 1. All so-called national organisations are not recognised by the Central Committee and all such organisations should be abolished immediately. Their members should immediately return from Beijing and other places and join the movement in their original units. 2. All public funds fraudulently claimed by these organizations in various names should be recovered. 3. If these organizations are found to have counter-revolutionary activities, their members must report them to the public security departments, which will be responsible for examining and dealing with them."

¹⁷³ Xia Fei: "The Great Union in the "Cultural Revolution". The article contains "A Survey of Party History", 2004, the eighth issue., pp. 20-27.

In my opinion: this practice should be considered a form of armed combat. This is not good. It does not serve the purpose of educating the people. I would like to emphasise here that in the struggle we must insist on reason and not force, because force can only touch people's bodies but not their souls. Only by insisting on reason and not force, by presenting facts and reasoning, and by convincing people with reasoning, can we achieve a level of struggle and really achieve the aim of educating the people. Anyone who strikes someone should be dealt with according to the law.

..... We are the proletariat, the struggle has to be civilised, so why bring out the feudalism?"

However, it was difficult to stop the people who had been persecuted and who had even experienced a bloody family feud in the past few months, and a large number of cadres were severely criticized. In January 1967, Zhang Linzhi, Minister of Coal Industry, became the first senior cadre to die at the hands of the rebels during the Cultural Revolution. Kong Dan, who led the bloody crackdown on the rebels, and his father, Kong Yuan, the head of the investigation department, were also fiercely criticised during this period, and his mother, Xu Ming, the deputy secretary-general of the State Council Office, who had assisted so much in the activities of the "Western Pickets", was forced to commit suicide. Later, Tao Yong, the commander of the East China Sea Fleet, Yan Hongyan, the first secretary of the Yunnan Provincial Committee, and Wei Heng, the first secretary of the Shanxi Provincial Committee, were also persecuted to death. The Minister of General Logistics, Qiu Huizuo, also narrowly escaped death.

It can be said that the internal splitting, the rectification of people, the "overthrowing of everything" and the rejection of the Party leadership were all erroneous petty-bourgeois lines, which the Central Committee tried its best to correct, but in many places did not really achieve any results.

Section 3: The "February Counter-current" Purge and the Final Fall of Lin Biao's Tyranny

I. From the "February Counter-current" to the "Total Civil War"

At the beginning of the Cultural Revolution, the military hierarchy supported the revolutionaries, but this was because of a common enemy, the party bureaucracy, and because the attitude of the military bureaucrats towards the Cultural Revolution was not uniform across the region. In many places, the rebels were far less powerful than the conservatives, who were led by local party committees and supported by the state apparatus, and as a result, many provincial military divisions and local party committees joined forces against the rebels to suppress the mass movement during the power grab. Many of the rebels saw the army as a last refuge for the capitalist-roaders and went to the military divisional headquarters to stage sit-ins and petitions, while the army fabricated charges and made arrests.

In order to encourage the army to support the rebels, on 23 January 1967 the Central Committee issued the "Three Supports and Two Armies"¹⁷⁴ and on 28 January the Central Committee issued the "Decision on the People's Liberation Army's Resolute Support for the Revolutionary Leftist Masses" (i.e. the "Eight Articles of the Military Commission").

"First, we must resolutely support the genuine proletarian revolutionaries, win over and unite with the majority, resolutely oppose the rightists, and resolutely take dictatorial measures against those counter-revolutionary organizations and counter-revolutionaries for whom the evidence is clear.

2. All commanders and fighters, political staff, service, medical, scientific research and confidential staff must stick to their posts and may not leave their posts without permission. We must grasp the revolution, promote war preparations, promote work, and promote production.

3. For units within the army that are carrying out the Cultural Revolution, they should speak out freely, air views fully, hold great debates, and write big-character posters and make full use of the method of presenting facts and reasoning. A strict distinction should be made between the two types of contradictions. It is not permitted to deal with contradictions among the people in the same way as with the enemy; it is not permitted to arrest people freely without orders; it is not permitted to arbitrarily raid homes or seal doors; it is not permitted to inflict corporal punishment or corporal punishment in disguise, such as wearing high hats, hanging black cards, parading people through the streets, punishing them by kneeling, etc. We earnestly advocate reasoning and resolutely oppose armed force.

4. All teachers and students of colleges and universities, literary and artistic groups, sports teams, hospitals and military factory workers who have gone out to establish revolutionary ties should promptly return to their own regions and units to carry out struggle and criticism, and take back the power usurped by the small group of people in power on the capitalist road in their own units, instead of staying in Beijing and other places.

5. The issue of storming military leadership organs should be treated separately. In the past, if a counter-revolutionary attack was made, it had to be pursued, but if a leftist attack was made, it could be dismissed. In the future, no storming will be allowed.

¹⁷⁴ i.e. "support for workers, farmers and the left, military control and military training".

6. The military's internal combat readiness system and security system must not be attacked or linked together. All non-Cultural Revolution documents, archives and technical materials are not allowed to be looted. Materials related to the Cultural Revolution are temporarily sealed for processing.

7. Organs above the military level should carry out the Cultural Revolution in stages and batches as prescribed. Armies, divisions, regiments, battalions, companies and special units designated by the military commission should adhere to the policy of positive education in order to help strengthen combat readiness and defend national defence.

8. Cadres at all levels, especially senior cadres, should use Mao Zedong Thought to strictly discipline their children, educate them to study the writings of Chairman Mao, earnestly combine with workers and peasants, take part in labour training, reform their world view and strive to become proletarian revolutionaries. If the children of cadres break the law and commit acts of indiscipline, they should be handed over to the public for education and, in serious cases, to the public security and judicial authorities for processing.

At the same time, Mao Zedong also proposed the establishment of revolutionary committees, saying:

"The youth have made a lot of contributions to the Cultural Revolution, but it is not enough for them to take over from the provincial and municipal party secretaries right away; now all provinces and cities are following Shanghai's example and calling it a people's commune, what will the State Council call it? Should we change the name of the State Council? If it is changed to the Chinese People's Commune, then the President of the State Council will have to be called the Director or President of the Commune. Once the name of the State Council is changed, there is the question of whether foreign countries will recognise it or not. I don't think the Soviet Union would recognise it, for it would be to his disadvantage. After the commune has been established, should we still have a party? I think we should. There must be a core. In any case, there must be a party. I think it is better not to change the name, but to hold a people's congress, and to call the State Council the State Council. The Shanghai People's Commune should be changed to the Shanghai Revolutionary Committee."

The editorial "*On the Revolutionary 'Three-in One' Alliances'*" was published in Red Flag magazine, No. 5, 1967. The editorial quoted Mao Zedong's instruction that:

"In those places and units where there is a need to seize power, it is necessary to implement the revolutionary 'three-in-one alliances' approach and establish a revolutionary, representative and temporary power structure with proletarian authority. The name of this power structure should be the Revolutionary Committee."

The editorial in the "Two Newspapers and One Journal" of 30 March 1968 again quoted Mao Zedong's words.

"The basic experience of revolutionary committees is threefold: one is the representation of revolutionary cadres, one is the representation of the army, and one is the representation of the revolutionary masses, realizing the three combinations of revolution. The revolutionary committees should be led in a unified manner, breaking up the overlapping administrative structures, streamlining the army and simplifying the administration, and organizing a revolutionary leadership team that is in touch with the masses."

These initiatives were, firstly, to uphold the leadership of the Party, to combat the capitalist-roaders and to dismantle the reactionary Party committees, but to maintain the Party's organisation, which was a prerequisite for the victory of the revolution. The second is to establish a "three-in-one" revolutionary committee, so that it cannot only obtain the support of the army, but also retain experienced cadres who support the revolution, and oppose "overthrowing everything", which is what the proletariat should do; thirdly, the rejection of armed struggle and the establishment of a national mass organisation; fourthly, the encouragement of the army to support the revolution; and fifthly, the establishment of a unified leadership, which was what Lenin called a "practical" government organisation.

However, there were two difficulties here: firstly, not all the armies in the country would follow suit. In fact, with the seizure of power, the army could no longer remain inactive as it had been at the beginning of the Cultural Revolution, and many local armies merged with local bureaucratic groups. In fact, only five provinces - Shanghai, Heilongjiang, Shanxi, Shandong and Guizhou - had troops in place to support the rebels. Beijing was the seat of the central government, so no one dared to suppress the masses. Secondly, the revolutionary masses continued to be undermined by the petty bourgeois line, and the wrong practices of factionalism, integration, "fight to the death", and the rejection of the Party leadership remained unchanged in many places, while some people put forward overly leftist ideas, hoping to kick out the army and the original cadres completely. As a result, in many places the army and the rebels clashed violently, and some of them demanded criticism of the army bureaucrats, which led to even greater discontent in the army.

On 14 February, a meeting of the Politburo of the Central Committee was held in Huairan Hall, Zhongnanhai, where Tan Zhenlin, Chen Yi, Ye Jianying, Li Fuchun, Li Xiannian, Xu Qianqian, Nie Rongzhen, Yu Qiuli and Gu Mu argued heatedly with Jiang Qing, Kang Sheng and Chen Boda. Ye Jianying angrily said to Chen Boda: "You have messed up the Party, the factories and the countryside! It's not enough that you want to mess up the army! What do you want?" Xu Qianqiang, the new head of the Cultural Revolution Group of the Military Commission, thumped the table and said, "The army is the pillar of the dictatorship of the proletariat. If the army continues to be in chaos like this, do you want it to be a pillar? Do you want people like Kuai Dafu to command the army? You have fabricated out of thin air that Liu Zhijian is a 'traitor', we are the ones who lead the army, the army cadres have fought with us, don't we understand" Li Xiannian said, "Now it's a big nationwide forced confession letter. How is the Linkage a reactionary organisation? Is a 17- or 18-year-old baby a counter-revolutionary? Starting with the editorial in the thirteenth issue of Red Flag (i.e. the editorial announcing the "criticism of the bourgeois reactionary line" - quoted), the struggle between the two lines was carried out on such a large scale among the masses that the old cadres were all beaten up." Tan Zhenlin proposed to Zhang Chunqiao and Yao Wenyan to greet the relevant mass organizations in Shanghai and to protect Chen Pixian, but Zhang Chunqiao said that he had to discuss it with the masses. Tan Zhenlin said angrily, "What masses? If the masses are always the masses, is there still a party leadership? This is metaphysics. Your aim is to eliminate the old cadres, to beat them all one by one. What are these people like Kuai Dafu? They are counter-revolutionaries, and they have created a 'hundred ugly pictures'. This was the most brutal struggle in the history of the Party, more than any other". He then said that he would fight to the end even if he was jailed or expelled from the Party. "There are three things I should not have done in my life. Firstly, I should not have lived to such an old age and it pains me to see the country in such a mess. Secondly, I should not have joined the Communist Party. Thirdly, I should not have gone to Jinggang Mountain with Mao Zedong."

The remarks of these people actually showed that they were already on the side of the bureaucratic group, and that they were trying to justify such a terrorist organization as the Linkage. When Mao Zedong learned of this, he was furious and put Tan Zhenlin on the phone, saying, "Tan Zhenlin, what do you mean by that? You are not going to Jinggang Mountain, did I invite you to go to Jinggang Mountain? If you don't want to join the Communist Party, you can quit! You've lived through your old age, haven't you? You can also stop living now!" On 1 March, Mao Zedong severely criticised these old cadres:

"If the Cultural Revolution fails this time, Lin Biao and I will withdraw from Beijing and go to Jinggang Mountain to fight guerrilla attacks. If you say that Jiang Qing and Chen Boda are not good enough, then let Chen Yi be the head of the Central Cultural Revolution Group, Tan Zhenlin be the deputy head and Yu Qiuli be a member. If that is not enough, invite Wang Ming and Zhang Guotao back. If that is not enough, invite the United States and the Soviet Union to join us. Arrest and shoot Chen Boda and Jiang Qing! Send Kang Sheng to the army! I'll step down too, so you can invite Wang Ming back as Chairman! You are an old member of the Party, but why do you stand for the bourgeois line? I propose that the Politburo meet to discuss this matter. If it doesn't work once, it should meet twice. If the Politburo can't solve the problem in one month, let's mobilize the whole Party to solve it!"

From 22 February to 18 March, the Political Bureau of the Central Committee held seven consecutive political life meetings to criticise the "bourgeois restoration counter-current", also known as the "February counter-current". After the "February counter-current", the conservative faction in various regions, supported by local party committees and military forces, cracked down on the rebels, which became known as the "February Black Wind" or "March Black Wind". The Wuhan Military Region branded the General Workers' Union as a counter-revolutionary organization and suppressed the Second Division and the Workers' Union, arresting nearly 500 people and implicating over 6,000 others. "The Guangzhou Military Region branded the "August 1st Combat Corps" as a counter-revolutionary organization and suppressed the "Red Flag of the Central University" and the "Pearl Film Oriental Red". "The Henan Military Region branded the "Zheng University Joint Committee" and "8-24" as counter-revolutionary organizations and suppressed the "February 7 Commune", arresting thousands of people. The Fuzhou Military Region branded the "Red Revolutionary Society" and "9-2" as counter-revolutionary organizations. The Anhui military district branded the Hefei "Red Guards" as counter-revolutionary, and suppressed the "8-2 Revolutionary Union Station", the "Red Revolutionary Society" and the "Workers' First Division". On 18 February, the Chengdu Military Region began cracking down on the rebels¹⁷⁵ by sending by air a letter from the Central Military Commission to the comrades of the Chengdu Workers' Rebel Corps and the "August 26" Combat Regiment of Sichuan University.¹⁷⁶ During this period, more than 1,100 rebel groups were banned in the province and 120,000 people were arrested. On 23 February, when the whole

¹⁷⁵ On 11 February 1967, the Chengdu Military Region arrested more than 50 rebels in the army. The rebel group "August 26" issued a statement, pointing out that the February 11 incident was a major counter-revolutionary backlash in the province and demanding that the military district immediately release the illegally arrested comrades. On 17 February, a letter from the Central Military Commission to the Chengdu Workers' Revolutionary Rebel Corps and the Sichuan University "August 26th" Combat Group, which was approved by Ye Jianying, stated: "If you continue to besiege the Chengdu Military District, you will be fully responsible for all the serious consequences. " In the early hours of the 18th, the letter was broadcast by the Chengdu Military Region. In the afternoon, the Chengdu Military Region sent helicopters to distribute the letter in the Chengdu area, and later throughout Sichuan. After the Central Military Commission's open letter was broadcast, the rebels besieging the military zone began to withdraw.

¹⁷⁶ Li Bingduo: *"Experiencing the 'Black Wind in February'"* - Chronicle of the Cultural Revolution.

city of Xining was under martial law, Zhao Yongfu, deputy commander of the Qinghai military district, staged the "February 23" incident, killing and injuring 340 revolutionaries and arresting and detaining 10,157 others. The next day, he suppressed the revolutionary students and teachers at the Nationalities College, killing and injuring 12 people, and at the same time used various punishments against the revolutionaries to force them to give confessions and letters, and to kneel down and "ask for punishment."¹⁷⁷

Under such circumstances, the central revolutionary faction firmly opposed the army's suppression of the revolutionary masses. On April 2, CCTV broadcast the People's Daily editorial "Treat Revolutionary Young Generals Correctly", stating: "If you deny the revolutionary young generals, you will deny the proletarian cultural revolution. If you attack the revolutionary young generals, you will fight the proletarian cultural revolution." On April 6, the Central Committee issued the "10 Articles of the Military Commission", stipulating that under no circumstances can the military attack mass organizations, and it is not allowed to shoot, arbitrarily arrest people, and arbitrarily ban mass organizations, and only carry out political work, and it demanded that it not carry out mass "criminal" campaigns, not allow corporal punishment and disguised corporal punishment, and prevent Zhao Yongfu-style counter-revolutionaries from presiding over the work of supporting the Left.¹⁷⁸ On April 12, in order to do the work of various military regions, the Military Commission held an enlarged meeting, and Jiang Qing delivered a speech: "To Make New Contributions for the People".

Ever since Chairman Mao told us that the P.L.A. ought to participate in the local Cultural Revolution, to support the leftists, the peasants, the workers, the military control, and military training, the P.L.A. has accomplished a lot of work. Their especially outstanding accomplishments have been seen in industrial and agricultural production. Among them, the support of the leftists has been a little bit more difficult and complicated than others. It is easy to make mistakes in this respect. As long as we keep our thinking clear and correct, standing on the side of the Party Central's proletariat revolutionary line under Chairman Mao's leadership, we will then be able to handle problems fearlessly. It won't matter even if we do make some mistakes such as supporting the wrong people. We will then withdraw our support from them, making further investigations, finding the true leftists, and strengthening them. In regards to the organizations manipulated by bad people, we will isolate small groups of them, disintegrate them, and re-educate them. As a matter of fact, you are quite experienced as far as this point is concerned, and much of your experience is very good. Personally, I have been a participant on two teams fighting against such bad people. On the team in the south-central area, we have encountered some difficulties. There were some good points in the case of Comrade Huang Yongsheng's, because he didn't kill anybody, nor did he fire a weapon, nor did he arrest many people in Canton. They had a very good experience. That is, do not expose those organizations manipulated by bad people too readily and proclaim them to be reactionary organizations; arrest those who prove to be bad instead. Allow the masses of these organizations to change their own leader. I think that is a rather good way to do it.

..... The problem is not whether they are involved or not, it is which side they are on, whether they support the revolutionary faction or they support the conservative faction or

¹⁷⁷ Shui Luzhou: *A Brief Introduction to the Great Proletarian Cultural Revolution*, Chapter 7, Section 20.

¹⁷⁸ Mao Zedong: "Criticisms and Modifications to the Draft of the Ten Orders of the Central Military Commission on Supporting the Left Work", "Manuscripts of Mao Zedong since the founding of the People's Republic of China" (Volume 12), April 4 and 6, 1967.。

even the right wing. In fact, some get involved from the left side, others from the right wing..... I think that most of the comrades who committed mistakes will eventually turn back. I will never believe that the entire world is entirely black. Some people just like to create such an impression. Maybe I am much too self-confident, and yet somehow I feel this is not so..... After entering the cities, our troops have lived in barracks and thus become somewhat separated from the people. This will not do; we have to come out from the barracks and offices to restore our old tradition of uniting ourselves with the masses. When things were done in this way, it was said in some regions that "the old Eighth Route Army has come again." It can thus be seen that we spent more time with the people than we do now. We have been somewhat separated from the people since our entry into the cities. During the Cultural Revolution, the military has done many good things; under Comrade Lin Biao's leadership the military has gotten involved from the left at the very beginning.

In response to a series of moves by the central government, the rebels became active again, building new organisations on a wider scale. Unable to use the army and police openly against the rebels, the local authorities sought to put weapons into the hands of the conservatives and provoke armed struggles. In order to defend themselves, the rebels also tried to seize weapons, and the armed struggle gradually expanded. Under the guidance of the Wuhan Municipal People's Armed Forces Department and the 8201st troops of the provincial military district, the conservative Red Armed Forces were reorganised into a million strong division on 16 May and began a systematic suppression and massacre of the rebels, with major armed battles taking place at the Liudou Bridge in Hankou on 17 June and at the Hanyang Steel Rolling Mill and the Wuhan Water Transport Engineering College on 24 June. According to incomplete statistics, from 4 to 30 June, 108 people were killed and 2,774 wounded in Wuhan during the armed struggle.¹⁷⁹ The dead were all rebels. By the end of June, millions of troops had completely occupied Hanyang and controlled most of Hankow, while the rebels suffered heavy casualties and retreated to the few colleges in Wuchang where the rebels were overwhelmingly dominant.¹⁸⁰ Authorities in Jiangxi, Sichuan and other places incited peasants to fight, and the central government issued the "Notice on Prohibiting Inciting Peasants to Fight in Cities", prohibiting all localities from inciting peasants to enter cities, forbidding violence, and forbidding the seizure of military weapons and ammunition.¹⁸¹ After seizing power, some of the rebel factions split due to power struggles, some became moderates and joined the "Revolutionary Committee", while some were more radical and dissatisfied with the "Revolutionary Committee", and the two factions also fought with each other. On 11 July, classes resumed in place of revolution, and order in the schools began to return to normal. But the factional struggle did not stop there.

In mid-July, Chairman Mao went to Wuhan in an attempt to resolve the conflicts between the two factions and bring about a great unity, but the conservatives stubbornly resisted. The Independent Division and the Million Hero Division attacked the East Lake Hotel and captured Wang Li, causing the "720 Incident" that shocked the whole country. After the "720 Incident" in Wuhan, Chen Zaidao was dismissed from his post and went to Beijing for criticism. Premier Zhou criticized the Xinjiang Military Region and the Jiangxi Military Sub-District successively, pointing out: "The mistake of the Military Region in the past was to shoot the peasants at the armed department of the military sub-

¹⁷⁹ After "July 20", according to statistics from the Hubei Provincial Party Committee, 66,000 people were injured and 600 people were killed in Wuhan alone.

¹⁸⁰ Qi Xuan: *"The Eve of the Bloody Wuhan "July 20 Incident": Large-scale Fighting Between Millions of Heroes and Three Towns in Wuhan."*

¹⁸¹ Xiao Jianqing and Li Jinchuan, *'Flying arrowheads - an account of a reporter from the Central Cultural Revolution correspondent station'*.

district and mobilize the peasants to enter the city to engage in Fighting... this is planning, indulgence! The military region should take this responsibility." The Wuhan incident was used as an opportunity for Xinhua to report on a series of rebellions in various parts of the country. The central government hoped to use the Wuhan issue to facilitate the periphery, but it underestimated the military cadres and conservative organisations, and many local conflicts intensified instead, with troops even openly provoking clashes. Some localities and organisations in Jiangxi openly resisted the central government's decision to deal with the Jiangxi issue, seeing it as "provoking the masses to fight the masses", to the point where there were serious armed struggles and what the newly established provincial revolutionary groups considered a "military rebellion". The rebels also failed to unite in accordance with the Central Committee's demands, and the situation in some provinces got out of hand, leading to the arrest of "a handful of people within the army" and the grabbing of guns.¹⁸²

On 1 August, the Red Flag magazine published an editorial drafted by Wang Li and Guan Feng entitled "The Proletariat Must Firmly Grasp the Barrel of the Gun - Commemorating the 40th Anniversary of the Founding of the Chinese People's Liberation Army". The editorial proposed: "The whole country is now launching a major criticism campaign against the largest handful of people in power within the Party and the army who have taken the capitalist road. wants to expose the small group of people in power within the military who have taken the capitalist road, and to fight them politically and ideologically to bring them down and discredit them." Mass organizations across the country turned their struggle against the PLA, storming its barracks and beating its cadres and fighters, and robbing the weapons and ammunition depots of the Zhejiang Military Region and the Shaoyang Military Division in Hunan Province¹⁸³. On 7 August, Xie Fuzhi suggested that "most of the public prosecution and law-enforcement organs were rigidly defending the local capitalist faction in power and suppressing the revolutionary masses" and that "it would be difficult to turn the old machine around unless it was completely smashed." The cadres of these organs of dictatorship who had been bloodily suppressing the masses were brutally retaliated against by the rebels, and 34,000 people were persecuted, with over 1,100 persecuted to death. On 7 August, Wang Li delivered his "Wang Baqi" speech, inciting the masses to seize power from the Ministry of Foreign Affairs. Wang Li and the new Foreign Minister, Yao Deng, also appealed to Chinese ambassadors around the world to "bring the Chinese revolution to other countries", which was stopped by Zhou Enlai a few days later and Yao Deng stepped down.¹⁸⁴ At the same time, the ultra-left forces in society (represented by the May 16 Corps) demanded the overthrow of the 'old government' represented by Zhou Enlai, and later demanded the complete negation of the pre-Cultural Revolution bureaucracy and a bottom-up approach based on the 'Paris Commune' model to rebuild the state apparatus.

Here, in fact, it was necessary to oppose both the repression of the revolutionary masses by the army and the "ultra-left" behaviour of the rebels. The "ultra-left" mainly meant that the Cultural Revolution was in fact about completing the revolution in political relations and involving the people in the administration of the state, but it did not mean that the state apparatus should be completely smashed, but rather that it should be reformed, and this reform must be careful not to overthrow everything that had gone before; nor did it mean that all the old cadres should be overthrown. The majority of cadres should be retained and those who had been reformed should also be retained;

¹⁸² Xu Hailiang, *Zhou Enlai's Handling of the Wuhan "7.20" Incident*, in *East Lake Records: The Mass Memory of Wuhan's Cultural Revolution*, Galaxy Press.

¹⁸³ Yan Zhifeng: "The Beginning and End of the Troubled "A Few of the Army", in "Party History", No. 9, 2005, pp. 37-40.

¹⁸⁴ Dao-yuan Chou. *Silage Choppers and Snake Spirits*. IBON Books, Quezon City, Philippines. 339-382

moreover, cadres should not be persecuted, and bureaucrats who had committed crimes should be punished according to the law; at the same time, the cadres of the army should be united as long as they were not reactionaries and did not suppress the masses.

On 9 August, Lin Biao criticised the military leaders for suppressing the mass movement, saying that "The present revolution is a revolution against those of us who have been engaged in the former revolutions", and "A new state machine has to be built", and that for the military cadres, "Those who may be saved from being overthrown should not be overthrown; those who have been overthrown may still turn over a new leaf after education." On 16 August, Zhou Enlai also blamed the army: "They talk about composition and membership of the Party and the league, and those who listen to them feel good. According to this, supporting the left is often wrong." In mid-August Mao Zedong criticised the editorials of Wang and Guan published in Red Flag magazine as "big poisonous weeds". On 26 August, Zhou Enlai presided over a meeting of the Central Committee on the conduct of the Cultural Revolution, at which the extreme leftist forces of the Central Committee (Wang Guanqi) were criticized and immediately isolated for investigation.¹⁸⁵ The extreme leftist trend in society was also criticised as "leftist in form but rightist in reality".

On 5 September, the Central Committee issued an order on the prohibition of the looting of weapons, equipment and military supplies of the People's Liberation Army, demanding that "no mass organisation or any person, regardless of their affiliation, should be allowed to loot weapons, ammunition, equipment, vehicles, equipment and supplies of the People's Liberation Army on any pretext whatsoever. Weapons, ammunition, equipment, vehicles, equipment and materials of the People's Liberation Army that have been seized should all be sealed and returned within a certain period of time".¹⁸⁶ The situation improved somewhat when the rebels returned to the army heavy weapons and some light weapons that could not be easily hidden. Since then, the central government had issued many circulars to stabilise the situation and ensure production.

As the external situation became more favorable, the factional issues within the rebel faction became increasingly prominent. In mid-September, Mao Zedong warned the rebels for the first time: "Tell the revolutionary young generals that now is the time when they may make mistakes." Mao Zedong asked the Red Guards to make more self-criticisms, quickly realize the great alliance, and do a good job in the unit's struggle and correction. On September 17, the People's Daily reprinted the editorial of the fourteenth issue of "Red Flag" "Realizing the Revolutionary Great Union in the Climax of the Revolutionary Criticism", which once again conveyed Chairman Mao's instructions on the great union. On October 1, 1967, "People's Daily", "Red Flag" magazine and "Liberation Army Daily" published "Long Live the Victory of the Cultural Revolution under the Dictatorship of the Proletariat", clearly stating: "The revolutionary Red Guards and the revolutionary student organizations must realise a revolutionary union. As long as both factions are revolutionary mass organizations, they must realize a revolutionary unity under revolutionary principles." On October 17, the central government issued the "Notice on Implementing the Revolutionary Alliance in accordance with the System", demanding that all units must implement revolutionary unity according to systems, industries and classes under the principle of revolution, and that "all cross-industrial organisations should make the necessary adjustments according to industries under the principle of voluntarism".¹⁸⁷ Mao Zedong also Mao also repeatedly stressed that the grand coalition should

¹⁸⁵ Xia Fei: "The Beginning and End of the Wang, Guan and Qi Incident", in Party History, No. 1, 2005, pp. 10-16

¹⁸⁶ Mao Zedong: 'Critique of the draft order not to seize weapons, equipment and various military materials from the People's Liberation Army', Mao Zedong's Manuscripts since the Founding of the People's Republic, 5 September 1967.

¹⁸⁷ 'A Chronology of Events in the Communist Party of China - 1967', in People's Daily Online.

adhere to the principle of "three-in-one combinations" and "expand the scope of education", liberating those old cadres who were willing to be educated, and that "the vast majority of cadres are good and only a tiny minority are bad. It is necessary to rectify those in power in the Party who have taken the capitalist road, but they are a small minority."¹⁸⁸ "We must believe that over ninety percent of the cadres are good and relatively good. The majority of those who have made mistakes can be reformed."¹⁸⁹

However, many of the rebels did not understand Chairman Mao's intentions and set their sights on gaining more and more favourable seats on the Revolutionary Committee, rather than on promoting changes in social relations. Chanting the slogan "follow Chairman Mao's strategic plan", the various rebel groups fought over the distribution of power in the Preparatory Committee of the Revolutionary Committee. At the same time, many of the rebel factions did not integrate the old cadres and still refused to liberate and employ them according to the idea of overthrowing everything, or when one faction employed an old cadre, another faction rose up and overthrew the old cadre. The Great Union was at an impasse.

In November 1967, two newspapers and one journal published an editorial to commemorate the 50th anniversary of the October Revolution, systematically putting forward the theory of "continuing revolution under the dictatorship of the proletariat". At this time the anti-imperialist and anti-colonial struggle was on the rise worldwide. In particular, revolutionary movements were taking place in the heart of the capitalist system in 1968. The black civil rights movement, the anti-Vietnam War movement and the student movement in the USA, and the student and workers' movements in France, Italy and Germany were all influenced by the mass movement of the Cultural Revolution in China and the ideas of Mao Zedong. China became the intellectual centre of the world revolution for a time.

Mao Zedong had envisaged that the "Great Union" would be completed by early 1968 and that "the problem would basically be solved nationwide".¹⁹⁰ However, by the end of 1967, only a few provinces such as Qinghai, Inner Mongolia and Tianjin had set up revolutionary committees. The 1968 New Year's Day editorials in the People's Daily, the Red Flag magazine and the PLA Daily stated that one of the strategic objectives for 1968 was to promote and consolidate the revolutionary unity and that all mass organisations "should be reorganised ideologically and organisationally to raise consciousness, purify their ranks, affirm achievements, overcome shortcomings, strengthen the party spirit of the proletariat, and overthrow the bourgeois and petty bourgeois factions" The movement reached its climax in mid-January, when all the central and local newspapers ran a series of critical articles. On January 16, the People's Daily published "Using Chairman Mao's Latest Instructions as a Guide to Mobilize the Masses to Encircle and Suppress Factionalism", the editor's note stated that "to overthrow factionalism, we must fully mobilize the masses, expose the dangers of factionalism. Everyone should criticise and suppress sectarianism, so that it will be like a 'rat in the street' among the masses, with nowhere to hide."

At the same time, when meeting with the rebels in the provinces, the central leaders did not miss the opportunity to criticize the factionalism. On February 25, 1968, People's Daily published

¹⁸⁸ Mao Zedong: *'Talks during the Inspection of North, South and East China'*, in Mao Zedong's Manuscripts since the Founding of the State (vol. 12), July-September 1967.

¹⁸⁹ Mao Zedong: *'We must trust more than ninety per cent of the cadres'*, Mao Zedong's Manuscripts since the Founding of the People's Republic (vol. 12), 8 May 1968.

¹⁹⁰ 'Transcript of Mao Zedong's conversation with Zeng Siyu, Liu Feng, Fang Ming and Zhang Chunqing, leading cadres of the Wuhan Military Region and Hubei Province', 20 September 1967.

"Anarchism is the Political Bridge to Counter-Revolution", pointing out: "Anarchism has become the main means for the current bourgeoisie to fight back against the proletariat. If it is not resolutely overthrown Anarchism will inevitably interfere with Chairman Mao's great strategic plan." The anarchist trend "is a conspiratorial ploy of the class enemy in its death throes; a vicious outbreak of petty-bourgeois wavering and revolutionary incompleteness. At the same time, it was a punishment for the sins of opportunism and bureaucracy."¹⁹¹ From the end of 1967, the Central Committee began to hold classes to study Mao Zedong's thought, and in stages and batches it sent people from provinces and autonomous regions where revolutionary committees had not yet been set up to Beijing to help the rebels carry out "fighting self and criticising revisionism", so as to solve the problems in these regions and urge them to set up provincial revolutionary committees at an early date.

From mass organizations to various institutions, factories, schools, villages and families, there was a fervour for organizing Mao Zedong Thought Study Classes. From 5 December 1967 to 15 August 1968, the Central Government held a Mao Zedong Thought Study Class in Beijing. The participants were enrolled in three batches and studied in three steps: firstly, they studied Chairman Mao's "latest instructions" and the relevant documents of the Central Government; secondly, they discussed the actual situation of the Cultural Revolution in their own units and regions and raised awareness; thirdly, they offered criticism and self-criticism and carried out the great revolutionary criticism and organised key struggles. At the same time, the provincial military management committee organised the first and second Mao Zedong Thought study classes, and classes were held to varying degrees in all cities, prefectures, counties, communities and teams throughout the province. In March 1968, 127 units in Fuzhou city were united; in May, 75 factories in Fuzhou were united; in July, 44 mass organisations in Fuzhou signed an agreement in Beijing on the consolidation and development of revolutionary unity; and in August, with the approval of the central government, the Fujian Provincial Revolutionary Committee was formally established.¹⁹²

Mao Zedong repeatedly stressed the need to achieve a "grand alliance", but some rebel factions revived cross-industry organizations in February and March 1968 out of factional interests, and some areas began to fight factions, and armed fighting incidents still occurred frequently. On February 3, 1968, the day the Hebei Provincial Revolutionary Committee was established, two mass organizations in Baoding clashed, shooting at each other, killing and injuring several people.

The "two-three massacre" (*presumably referring to the second mass killing of unarmed civilians by the military on February 23, 1967 in Xining City, Qinghai Province. 169 civilians were killed and 178 injured – Trans.*) kicked off the prelude to martial arts fighting, and the sound of gunfire continued in Baoding for most of the year thereafter.¹⁹³ In March 1968, the Central Committee held the second meeting to resolve the Sichuan issue, and issued the "March 15 Directive" criticising the 54th Army for still supporting one faction and fighting another, and for failing to be even-handed. After the "March 15 Directive" was delivered, the "August 15" organization supported by the army almost collapsed, and the anti-fundamentalist group¹⁹⁴ became arrogant, and signs of armed struggle reappeared. All agencies of the 54th Army sent telegrams to the central government. Liang Xingchu

¹⁹¹ Ren Lixin, *'Anarchism as a political bridge to counter-revolution'*.

¹⁹² Ye Qing, *'A Study of Mass Organizations in Fujian during the Cultural Revolution'*, in *History*, Fujian Normal University, 2002.

¹⁹³ Retired Scholar Qingyuan: *"Sudden Changes in the Wind and Clouds--Complete Record of the Fighting in Baoding during the Cultural Revolution"*

¹⁹⁴ In the end, it was a rebel organization established in April 1967, formerly known as the Workers' Rebel Army.

asked the central government for a showdown, saying that the army could not figure it out, the masses could not figure it out, and the "March 15 Directives" might lead to more serious fighting. On April 27, Zhou Enlai again conveyed Chairman Mao's "April 27" directive, "Don't get cocky."

From March to August, dozens of armed battles took place in Chongqing, with both sides using light and heavy machine guns, anti-aircraft machine guns, thirty-seven guns, howitzers, bazookas and other weapons.¹⁹⁵ After the establishment of the Chongqing Municipal Revolutionary Committee on 2 June, the battles intensified and the "August 15th" campaign to "eliminate bandits" was launched on a large scale. "The "anti-fundamentalist" faction was unable to fight back and retreated step by step. The armed struggle spread from Chongqing to the surrounding counties, with heavy casualties and hundreds of thousands of members of the "anti-fundamentalists" fleeing to Chengdu and other places.¹⁹⁶ The same was true in Shaanxi, where armed struggles took place in Hanzhong and Xi'an on 1 May 1968, when the Revolutionary Committee was established. The Longhai and Baocheng railway systems in Shaanxi and the railway traffic in the areas along their routes were interrupted several times, flour mills, rice mills, machinery and grain depots were blown up, traffic in the city was disrupted and the supply of food and vegetables was difficult.¹⁹⁷

Some of the rebels thought that if they could win the armed struggle and eliminate the other group, they would be able to organise the Great Union with themselves as the core.¹⁹⁸ Guided by this idea, on 23 April, the "Hundred Days' War" broke out between the Tsinghua University group and the "April 14" group, which shocked China and abroad. Beijing universities, which had previously been better at implementing the central government's policies, were thrown into turmoil.

On 3 July 1968, the Central Committee of the Communist Party of China, the State Council, the Central Military Commission and the Central Cultural Revolution Group issued the "July 3 Announcement", in response to a series of armed struggles that had taken place in Guilin, Liuzhou and Nanning in Guangxi in the past two months.¹⁹⁹ They demanded that the fighting should be stopped immediately, and that those counter-revolutionaries against whom there was evidence of murder and arson, sabotaging transport, storming prisons, stealing state secrets and setting up private radio stations should be severely punished according to law. After the "July 3" announcement, the armed fighting continued to be repeatedly banned. From 7 to 9 July, the two factions in Chongqing engaged in large-scale armed struggles in the Daping area, using light and heavy machine guns, anti-aircraft guns, thirty-seven guns and explosives; on 19 July, thousands of people in Xi'an attacked the Baijiakou area, using aerial machine guns, earth tanks and other weapons, killing 21 people; and armed attacks on revolutionary committees and killings of members of the Revolutionary Committee continued in other parts of Shaanxi province.²⁰⁰ On July 24, 2007, the Central Committee of the Communist Party of China, the State Council, the Central Military Commission, and the Central Cultural Revolution Group issued the "July 24 Announcement" in response to a series of serious incidents such as the escalation of armed struggles, reiterating: "All

¹⁹⁵ He Shu, *'The "No. 1 Special Case" in Chongqing during the Cultural Revolution'*. In *The Essence of Literature and History*, April 2002, pp. 32-39.

¹⁹⁶ Hu Zhijin, *'Chongqing's armed struggle and the country's only 'Cultural Revolution Cemetery''*, in *Essence of Literature and History*, July 2008, pp. 31-34.

¹⁹⁷ Xia Lan Qiu Ju, *'[Oral History] Martial Fighting in Shaanxi's Cultural Revolution'*, 16 September 2006.

¹⁹⁸ Mi Hedu and Zhang Qi, *'The Flowing Sands of the Ages - Kuai Dafu's oral account of the division between the Regiment and April 14'*.

¹⁹⁹ Jiao Hongguang: *'Zhou Enlai's Handling of the Guangxi Issue during the "Cultural Revolution"'*, in *"Party Literature"*, No. 3, 1996, pp. 14-17.

²⁰⁰ Bai Lei, *'From power grab to military control: a brief account of the 1967-1968 armed struggle in Shaanxi Province'*, in *Twenty-first Century*, online edition, July 2006.

mass organizations, groups or individual must be resolute, thoroughly and earnestly implement the "July 3 Announcement". "No disobedience", "Immediately stop fighting, disband all professional fighting teams, dismantle fortifications, strongholds, and checkpoints", and for those who have evidence of murder, arson, robbery, and destruction of the country property, the current counter-revolutionaries and those behind the scenes who interrupted traffic and communications must be resolutely punished in accordance with the law. It also demands that the interrupted vehicles, ships, transportation, post and telecommunications must be restored immediately, and the stolen weapons and equipment of the People's Liberation Army must be returned immediately.

"The July 3 and July 24 proclamations called for an unconditional end to the armed struggle, but conservative factions in many places then took the opportunity to defeat and even eliminate the rebels in one fell swoop. Wei Guoqing of the Guangxi Military Region took the opportunity to instruct the conservative group "United Fingers" to launch an armed siege against the rebels on April 22nd, resulting in a horrific bloodbath.²⁰¹ From 26 July to 6 August, 3,681 so-called "class enemies" were killed in Bingyang County, more than 3,200 in Lingshan County, 1,906 in Shanglin County, 1,073 in the White Area, and more than 7,000 in Hechi.²⁰² The military region and the "joint finger" jointly attacked the Jiefang Road, department store, and exhibition hall in Nanning controlled by the "April 22". By August 5, the downtown area of Nanning was levelled, killing 1,470 opponents and capturing nearly 9,000 prisoners.²⁰³ What is even more outrageous is that thousands of people of "April 22", in order to avoid the encirclement and suppression, hid in the underground civil air defence project. With the tacit approval of the military region, the gates of the dam of the Zuojiang Hydropower Station in the upper reaches of the Yong River were opened, flooding Nanning, and drowning the last group of the opposition in the civil air defence project. Their bodies drifted to Hong Kong and Macao, shaking the world.²⁰⁴

For the turbulent colleges and universities, Mao Zedong saw that criticizing anarchism alone could not solve the problem, and decided to send some excellent industrial workers to form a worker Mao Zedong Thought propaganda team to the station, for the workers collect weapons from students. On 27 July, the "Workers' Propaganda Team" was sent to Beijing's universities and colleges to stop violence in the schools and to promote the unification of the two factions. The group led by Kuai Dafu resisted the Workers' Propaganda Team, killing five workers and injuring many others and the PLA in the space of ten hours, an incident that directly shocked the central government. In the early hours of 28 July, Mao summoned the five leaders of the Red Guards in Beijing to criticise the radical students for their armed struggle and resistance, and the Cultural Revolution movement in the universities changed direction from then on.²⁰⁵ Mao told Kuai Dafu: "Aren't you arresting the "black hand"? The "black hand" is me. You are now in a very difficult position, and I see nothing you can do. The bulletin has been publicized for many days, but you still want to fight " "Most of the schools in Beijing are not fighting, but a few are, and when they do, it affects workers, the army and internal unity."

But on the whole, Mao was still protective of students in colleges and universities, "I can't figure out this heavenly and earthly faction, there are so many schools. All in all, you five generals, I am

²⁰¹ Zhang Xiongfei: *"An Official History Covering Up the Crimes of Wei Guoqing and Others during the Cultural Revolution"*.

²⁰² Xu Yong: *"Wei Guoqing and Guangxi April 22"*

²⁰³ *Exposing Wei Guoqing and the April 22 Incident of the Cultural Revolution in Guangxi*

²⁰⁴ *Nanning City in Blood and Fire, 1968.*

²⁰⁵ Li Yuqi: *"Tsinghua Garden 1968 "Hundred Days of Fighting"* Documentary, in "China Youth Studies", No. 6, 1993, pp. 39-41

protecting you, you Nie Yuanzi, Kuai Dafu, Tan Houlan, Han Aijing, Wang Dabin, and other heads of schools, but the famous ones are still you five. You have done a lot of work, and it has been difficult. We have never experienced the Cultural Revolution, and no matter how many flaws and mistakes you have, we still protect you."²⁰⁶ Mao Zedong did not agree that the Central Cultural Revolution Group should bring down the five leaders, but wanted to promote the integration of rebellious students with workers and peasants through education and productive labour in grassroots units under the leadership of the working class, and to transform their own sectarianism and mountain-topism.

On 25 August 1968, Red Flag, No. 2, 1968, published "The working class must exercise leadership in everything", pointing out that "students and intellectuals alone cannot complete the struggle, criticism and reform on the education front and a series of other tasks, but must be joined by workers and the PLA, and must have the strong leadership of the working class", and that the leadership of the working class "is the most reliable guarantee for the masses to liberate themselves.". The workers and the People's Liberation Army "break the domination of the world by intellectuals." "The unhealthy atmosphere, style and ideas among the piles of intellectuals can be changed, and they can be transformed and liberated." The working class had to go not only to schools, but also 'to all areas of the superstructure'.²⁰⁷ From the end of August, workers' propaganda teams were sent to colleges and universities, secondary specialised schools, and primary and secondary schools at the county and town levels.²⁰⁸ In September, the graduates of the '66, '67 and '68 years graduated (commonly known as the 'Old Three Graduates') and began to go to "up to the mountains and down to the countryside" as educated youths. The Red Guard movement therefore came to a halt.



(The poster at the top reads "Revolutionary Committees are fine". The one at the bottom reads "Long live the complete victory of the Great Proletarian Cultural Revolution!" – Trans.)

In the summer of 1968, the central government quickly brought the situation under control by issuing two bulletins and sending out workers' and military propaganda teams. On 3 September 1968, the revolutionary committees of the two autonomous regions of Tibet and Xinjiang were set

²⁰⁶ Mao Zedong's Talk to the "Five Leaders" of the Red Guards in the Capital (8 July 1968)

²⁰⁷ Yao Wenyan, 'The working class must exercise leadership in everything', in Red Flag, 1968, no. 2.

up at the same time, so that all 29 provinces and municipalities in China had set up revolutionary committees. In September 1968, Mao Zedong proposed: "Set up three-way alliance revolutionary committees, conduct thorough criticisms, purify the ranks of the class, reform the party, simplify the administration, revise unreasonable rules and regulations, send down office personnel, and carry out 'struggle-criticism-transformation' in factories. Roughly speaking, these are the stages we shall pass through." Thus, the Cultural Revolution shifted from the seizure of power by the rebels to a three-pronged approach of "military, cadres and masses", reforming social relations.

In fact, the military propaganda team, the industrial propaganda team, and the establishment of the "revolutionary committee" all hoped that the rebel factions could preserve the achievements of the revolution, stabilize their positions, resolve factional issues first, and at the same time shift their focus from seizing power to reforming social relations. Because the fundamental task of the Cultural Revolution was to transform social relations, and the purpose of seizing power was to remove the obstacles that capitalist-roaders had placed in the way of continuing the revolution. But when the capitalist-roaders had been basically overthrown, then factionalism should be put aside and social relations should be reformed. In many places, the "three-way combinations of the military, cadres and the masses, and three-in-one combinations of the old, middle-aged and young" were implemented in the revolutionary committees. Mainly the army was in power, followed by the former local party committees. The rebel factions were not very powerful and were often excluded and persecuted. However, when the rebel faction was not strong enough to continue to promote change, and the internal division was serious, it should first stabilize its position, win the support of the majority, and at the same time change social relations as much as possible, and wait until its own problems are solved to a certain extent and its strength increases. This is actually the correct line for continuing the revolution.

2. The Ninth Congress of the Communist Party and the Dictatorship of the Army

However, this adjustment was not appreciated by the rebels as there were too few mature revolutionary cadres to form a leadership over the rebel masses. As a result, the army had to be relied upon to stabilise the chaotic situation, and the rebels in turn brought about their own demise in endless armed struggles. At the same time, such armed struggle not only did not help to change social relations, but also caused a serious economic downturn and social unrest, and there was the possibility that the dictatorship of the proletariat might not be preserved. But the military bureaucracy, represented by Lin Biao, used the process of stabilising social order to brutally persecute both the party bureaucrats and the revolutionary masses, and at the same time they used their almost insane personal worship of Mao Zedong to divert the attention of the revolutionary masses in order to achieve their dictatorial aims.

Beginning in 1967, in response to the endless factional struggle of the rebels, the Central Committee hoped to carry out a systematic rectification of the rebels so that the rebels could establish a powerful class organization. On 27 November 1967, Jiang Qing said in her speech: "In the process of reorganising the Party and building the Party, and in the entire process of the Great Proletarian Cultural Revolution, it is necessary to gradually cleanse the ranks of the class, both within and outside the Party. within the Party and also outside the Party." On 25 May 1968, the Central Committee of the Communist Party of China forwarded the "Experience of the Military Management Committee of the Xinhua Printing Factory in Beijing in mobilising the masses for the struggle against the enemy", asking the whole country "to do a good job of cleansing the ranks of the class in a systematic and leading manner". The Communist Party of China (CPC) Central Committee forwarded the experience of the Beijing Xinhua Printing Works Military Management Committee in mobilising the masses for the struggle against the enemy.

At the beginning, the aim of the class purge was to quell the rebellion and restore social order. But soon, as the "whole country was red" and the Revolutionary Committee was set up throughout the country, the army took an overwhelmingly dominant position in society. The "cleansing the ranks campaign" turned from a reorganisation of the rebels to a frenzied persecution of the fallen party bureaucrats and rebels by army bureaucrats in order to consolidate their position. From 1967 to 1968, with the seizure of power, the rebels made many "ultra-left" or "leftist but rightist" mistakes, which aroused the discontent of the people. The army took advantage of this discontent and cracked down on the rebels. The rebel groups were dealt a heavy blow and persecuted, and their role in the Revolutionary Committee became less and less effective. This posed a great threat to the development of the forces supporting the Cultural Revolution and to the preservation of what was left of it.

In response to this situation, at the Twelfth Plenary Session of the Eighth Central Committee in October 1968, Mao Zedong proposed that "the movement to clean up the class ranks must firstly be done quickly, and secondly, the policy must be paid attention to" and "the policy of not giving a way out is not the policy of the proletariat." However, the army did not fully implement Mao Zedong's instructions. Although the army's attack method was very heavy-handed, many of those who attacked were those with extreme actions or opinions. Some radical rebels who agreed to compromise were retained, and some moderate organizations used the name of the "old rebels who made mistakes" and were added to the "three-in-one combinations", while the leaders of the rebels were absorbed into the system by "raiding the Party". This was a favourable aspect for the Cultural Revolution.

At the same time, a large number of fallen officials and intellectuals were also purged and dealt with during this period. The purge of those in power, led by Liu Shaoqi, was followed by a period when intellectuals were locked up in "cattle sheds", "study classes" or sent down to cadre schools, just like the 50-day dictatorship. This period was another peak in the persecution of intellectuals after 1966. Jian Bozan, Wu Han, Tian Han, Fan Wenlan, Yang Shuo, Li Guangtian, Zhao Shuli, Xiao Yemu, Sun Weishi, Wen Jie, Zheng Junli, Haimo, Shao Quanlin, Yan Fengying, and the "three greats of the Pingtan", Rong Guotuan, Fu Qifang and Jiang Yongning, were persecuted and died during the military dictatorship of the late 1960s and early 1970s. Their children were also brutally attacked during the purge of the rank and file and the downfall of the party bureaucrats.

Thus, on the whole, despite the army's stopping the theft of goods, it was more progressive in terms of stabilising the situation, preserving the strength of the rebels and preserving the gains of the revolution. The 12th Plenary Session of the 8th Party Central Committee, held in October 1968, was a direct preparation for the 9th National Congress. Mao Zedong said at the Plenum: "This Cultural Revolution is completely necessary and very timely for consolidating the dictatorship of the proletariat, preventing the restoration of capitalism and building socialism." The Plenum considered that the "bourgeois command" represented by Liu Shaoqi and his "agents" in various places had been defeated, the task of seizing power had been completed, and the Cultural Revolution had achieved a decisive victory, so the convening of the Ninth Party Congress became an urgent task to consolidate the gains made. From March 9th to 27th, 1969, the preparatory meeting for the Ninth National Congress was held in Beijing. Mao Zedong proposed at the preparatory meeting that the task of the Ninth National Congress is to "summarize experience, implement policies, and prepare for war", which had become the guiding ideology of the Ninth National Congress. At this time, Mao Zedong had already begun to prepare to solve the problem of military dictatorship. He believed that the political report drafted by Chen Boda recognized the fact that the military dictatorship caused by

the Cultural Revolution was a fait accompli, and he was suspected of "the theory of productive forces", so he asked Zhang Chunqiao to redraft it.



(The banner reads: Ninth National Congress of the CPC" – Trans.)

The 9th National Congress of the Communist Party of China was held in Beijing from 1 to 24 April 1969. Mao Zedong presided over the opening ceremony and delivered the opening speech, while Lin Biao delivered a political report on behalf of the CPC Central Committee. The report was centred on "the theory of continuing the revolution under the dictatorship of the proletariat" and fully affirmed the Cultural Revolution, saying that "the Great Proletarian Cultural Revolution is a genuine proletarian revolution and a great new contribution to the theory and practice of Marxism-Leninism"; and that The entire history of the Party is "the history of the struggle between Chairman Mao's Marxist-Leninist line and the rightist and 'leftist' opportunist lines within the Party", and the new task of "fighting, criticising and reforming" was proposed. The congress elected 170 members and 109 alternates to the Ninth Central Committee, of whom only 53 were members and alternates of the original Eighth Central Committee, while 136 (49%) were military cadres, with representatives of mass organisations and veteran cadres sharing the other half equally. The new party constitution adopted at the Ninth Congress included in its general programme the "theory of continuing revolution under the dictatorship of the proletariat" and "Comrade Lin Biao is a close comrade and successor of Comrade Mao Zedong". It can be said that the military bureaucrats, represented by Lin Biao, won a temporary victory, and of course many of the ideas of the Cultural Revolution were gradually implemented thereafter.

On 31 January 1970, the Central Committee issued the "Instruction on Combating Counter-Revolutionary Sabotage", and on 5 February it issued the "Instruction on Opposing Corruption, Theft and Speculation" and the "Circular on Opposing Spreading Waste", i.e., the "One Strike, Three Oppositions" campaign to combat counter-revolutionary sabotage, oppose corruption and theft, oppose speculation and spreading waste. "The campaign began. This in turn became a cleansing campaign for the army.

During the campaign, some of the leaders of the rebellion who had carried out vandalism, incited armed struggles and carried out brutal strikes against rival factions during the Cultural Revolution were also put to death during this period. In order to achieve scale in a short period of time, the

supreme authority to approve death sentences was devolved to the provincial level, which only had to report the number of killings to the central government for the record. This was further decentralised at the provincial level, and eventually the power to pronounce executions was given at the district level. The Great Purge produced so many unjust and false cases that Mao Zedong angrily said at the Public Security Conference, "We do not rule by killing people". However, this did not stop the army from uncovering "traitors", "agents" and "counter-revolutionaries" within ten months of the "One Strike, Three Oppositions" campaign. "A total of 1.84 million people were arrested, 285,000 people were arrested and 9,000 people were sentenced to death.

The investigation of the May 16 Movement also became a means of purging army bureaucrats. After the release of Jiang Qing's "9-5 speech" criticising the May 16 Corps, on 8 September 1967 Yao Wenyuan published "A Comment on Tao Zhuo's Two Books", in which he said: "Comrades, please note that there are now a handful of counter-revolutionaries who are adopting the same method. Using slogans that sound extremely "Left" but are in essence are extremely Right, they have stirred up evil gusts of 'doubting everyone' while bombarding the proletarian headquarters headed by Chairman Mao. The organisers and manipulators of the so-called 'May 16' group are just such a scheming counter-revolutionary gang."

The investigation of the "5.16 Group" officially kicked off. In 1968, the central government established a leading group for the investigation of the "5.16" project, with Chen Boda as the group leader and Xie Fuzhi and Wu Faxian as the leading group members. Since the "5.16 Corps" was born out of the radical ideology among the rebels, the investigation campaign was the best form the army used to purge the rebels. In order to prevent the army from using the investigation of May 16 to crack down on the rebels, on 27 March 1970, the Central Committee of the Communist Party of China issued a notice on the investigation of the May 16 counter-revolutionary conspiracy group: "The struggle between the class enemies at home and abroad and us is very complicated. The struggle against us is very complicated, and there is by no means just one 'May 16' counter-revolutionary secret organization. we should prevent anyone from using the investigation of 'May 16' to stir up bourgeois factionalism." Yet the army did not want to rest, and in 1971 Lin Biao said, "The army is an instrument of dictatorship; we must dig deep into the May 16 organisation, and not miss a single one."

3. The Second Plenary Session of the Ninth Central Committee and the "September 13 Incident"

As social order was restored and the economy improved, and the power of the Cultural Revolutionaries was restored, the Cultural Revolutionaries also decided to end the tyranny of the army and correct its previous mistakes. On 12 June 1969, on the instructions of Mao Zedong, the CPC Central Committee issued a document entitled "A few issues to note regarding the propagation of Chairman Mao's image", stating: "At present, there is a problem in domestic propaganda of not highlighting politics, pursuing formality and being boastful and wasteful. In the future, without the approval of the Central Committee, no more Chairman Mao badges can be made"; "Every newspaper should not use Chairman Mao's portrait as a masthead"; "Don't engage in the 'Loyalty' movement"; "Don't build feudal buildings"; "Do not engage in formalistic activities such as 'asking for instructions in the morning and reporting in the evening', reading quotations before meals, and saluting Chairman Mao's image." In early April 1970, Mao Zedong reviewed the draft of an article written by the editorial board of the two newspapers and one journal of the Central Committee to commemorate the 100th anniversary of Lenin's birth and wrote a large paragraph of criticism: "Regarding my words, I have deleted several paragraphs, which were useless and offensive to others. I have said this a hundred times, but no one listens to me, I don't know why, please ask the comrades of the Central Committee to look into it." He deleted from the draft: "Chairman Mao is the

greatest Marxist-Leninist of our time", "raised Marxism-Leninism to a brand new stage", "Mao Zedong Thought is the Marxism-Leninism of the era when imperialism is heading for total collapse and socialism is heading for worldwide victory", "Comrade Mao Zedong is the contemporary Lenin", etc.



Before the Cultural Revolution began, Mao accepted Lin Biao's cult of the individual "against his will" so as not to dampen the enthusiasm of the revolutionary masses, but now it was time for the cult of the individual to recede. Many people say that Mao's cult of the individual was totally unhistorical, but in fact it was Mao who was correcting the cult of the individual. The cult of the individual actually came from two sources: on the one hand, it is the social change that makes people feel that Mao Zedong is great, but the petty bourgeoisie deified this greatness; on the other hand, it came from Lin Biao's misleading of the revolutionary masses.

On August 23, 1970, the Second Plenary Session of the Ninth Central Committee of the Communist Party of China was to be held in Lushan, mainly to prepare for the convening of the Fourth National People's Congress. On the afternoon of August 13, under the chairmanship of Kang Sheng, the Central Committee on Amending the Constitution held a meeting to discuss the draft constitution. At the meeting, Wu Faxian and Zhang Chunqiao had a heated quarrel over the draft. There is a paragraph in the preamble of the draft: "The theoretical basis that guides our thinking is Marxism, Leninism, and Mao Zedong Thought. Mao Zedong Thought is the guiding principle for all work in the country." Zhang Chunqiao suggested: "There is already a theoretical basis for one sentence, and the latter sentence can be left out." He also said, "It is ironic that Marxism-Leninism has been developed in a genius and creative way." This was later used by Wu Faxian to attack Zhang Chunqiao vehemently at the meeting. Ye Qun, Chen Boda, Li Zuopeng and Qiu Huizuo actively supported him and, while calling for the establishment of a State President, alarmingly claimed that they would uncover those who "disparaged Mao Zedong's thought". Apparently, this was a premeditated, planned and organised activity by the army bureaucracy, which changed the original agenda of the plenary session and even feverishly incited the "seizure of the bad guys", pointing the finger at Zhang Chunqiao, with the aim of cracking down on the rebels. Jiang Qing and Zhang Chunqiao were forced to ask for help from Mao Zedong. On 31 August 1970, Mao Zedong wrote "My Opinions", a severe criticism of Chen Boda, the famous theoretician who had given Lin Biao his agenda. Wu

Faxian, Huang Yongsheng and others were forced to make a self-criticism, but Lin Biao refused to make one from the beginning. As a result, the whole country began to "criticise Chen and rectify the situation" and to stop the interference of the army.

When the Cultural Revolution faction was preparing to gather forces, unite veteran cadres, and stop the army from interfering in politics, Lin Biao couldn't sit still. In March 1971 Lin Ligu, son of Lin Biao, drew up the "571" Project Summary, declaring that since the Second Plenary Session of the Ninth Central Committee, the country had been "politically unstable", "the army was under pressure" and "the real living standards of the masses, grassroots cadres and lower cadres in the army had fallen and discontent was growing. They dare not speak out, even if they are angry." "The other party's goal is to change the successor", "The coup is developing in a direction that is good for the pen and not good for the gun"; "We must use the sudden change of violent revolution to prevent the gradual change of peaceful evolution-style counter-revolution", and that "if we are not to be caught with our hands tied, we should break through". To this end, the Summary set out the main points, slogans and tactics for the implementation of an armed coup, proposing "pre-emptive military action", "using the upper echelons of the rallies to eliminate them all" or "using special means" such as "bombings, car crashes, assassinations, kidnappings, urban guerrilla units" to "seize national power" or to create a "secessionist situation". It was proposed to borrow the Soviet Union and "use its power to keep all other forces at home and abroad in check".



(Above, the remains of the plane in which Lin Biao attempted to flee China – Trans.)

While Zhou Enlai was actively organising the Fourth National People's Congress, on 15 August 1971, Mao Zedong left Beijing on a special train for a tour of the provinces and cities in South and East China. He mainly talked about the history of the struggle within the Party line, the Lushan Conference and criticised Lin Biao and Huang Yongsheng. Mao also proposed limiting the power of the army, "returning power to the government and soldiers to the battalion". After this round of work, all factions in the army no longer saw Lin Biao as the spokesman for their interests. On the afternoon of 10 September, Mao ordered a special train to leave Hangzhou for Shanghai. At 11 noon, the train suddenly left Shanghai and arrived at Fengtai Station in Beijing in the late afternoon of 12 September, foiling the plan of Lin Ligu and others to kill Mao on the way. On 12 September, Lin Biao, Ye Qun and Lin Ligu fled in haste, but their plane eventually crashed, killing them. This was the "September 13 Incident".

By 1973, after the "transfer of the eight military regions" and the restoration of the old cadres, the military bureaucrats and the party bureaucrats were integrated into a unified political force, and although the pre-Cultural Revolution party bureaucrats had not fully recovered their strength, their power had grown considerably. Despite the criticism of the old cadres, many did not "reform" themselves, but became more aware of their own class interests. However, the Cultural Revolutionaries, represented by Mao Zedong, could only compromise for the time being as they did not have the strength to carry out further reforms.

4. The Battle of Zhenbao Island

In March 1969, as a result of Soviet provocation, a fierce exchange of fire took place between China and the Soviet Union on Zhenbao Island, with China repelling Soviet troops and capturing a Soviet tank.

On 28 August, the Washington Star published a story, "Soviet Union Wants Surgical Nuclear Attack on China", and Mao Zedong, after being briefed by Zhou Enlai, said, "It's just a nuclear war! The atomic bomb is very powerful, but I am not afraid of it." And in quick succession, he put forward the principles of "coming at your beck and call, being able to fight, being able to win" and "digging deep, storing grain everywhere, and not claiming hegemony". Many enterprises shifted to military production, and the national economy began to shift to a state of pro-war. Many military enterprises in coastal areas moved westward to mountainous areas and the third line, where transportation was blocked. The construction of air-raid shelters began in cities.

On 1 October 1969, the 20th anniversary of the founding of the country, a slogan was proclaimed:

"The people of the world unite against any war of aggression waged by imperialism and social-imperialism, and especially against a war of aggression using the atomic bomb as a weapon! If such a war occurs, the people of the world should destroy the war of aggression with a revolutionary war, for which preparations must be made from now on!"

This slogan, drafted by Mao Zedong himself, demonstrated the determination of the Chinese people to see the revolution through to the end and to defeat all reactionary forces. Moreover, at this time, China was absolutely confident in defending the country. After 20 years of industrialisation, China's industrial system was beginning to take shape. In 1956, the development of missiles and atomic bombs was included in China's 12-year plan for scientific and technological development. In just four years, China successfully launched its first indigenously developed missile in 1960, and in 1964, the first atomic bomb developed by China was successfully exploded, followed by the first hydrogen bomb in 1967. In 1970, China successfully launched its first artificial satellite, Dongfanghong-1, using a Long March carrier rocket, making it the fifth country in the world, after the Soviet Union, the United States, France and Japan, to independently launch an artificial Earth satellite. In addition to the two bombs and one satellite, the construction of China's first nuclear submarine began in 1968 at the Huludao shipyard and was delivered to the navy on 7 August 1974. By this time, China had basically established a complete defence industry system. All this could not be dismissed by the bourgeoisie, which viciously attacked socialism.

Section 4 "Criticizing Lin and Criticizing Confucius" makes waves again, and the sunset finally ends tragically and solemnly

1. Social Changes During the Cultural Revolution

1. Changes in production relations

The Great Proletarian Cultural Revolution, as a continuation of the revolution under the dictatorship of the proletariat, had the fundamental task of transforming social relations and changing some of the vestiges of capitalism in social relations. It is precisely because the remnants of capitalist social relations still exist that there are still fundamental social contradictions in socialist society.

"In a socialist society, the basic contradictions are still those between the relations of production and the productive forces, and between the superstructure and the economic base. But these contradictions in socialist society are of a fundamentally different nature and situation from the contradictions between the relations of production and the productive forces and between the superstructure and the economic base of the old society."²⁰⁸

The difference with the old society was that the proletariat was now in power through the vanguard, and ownership was communal in the sense of 'legal rights', so that further changes could be made on this basis. Since 1967, when the Cultural Revolution moved from the realm of ideology to that of social relations, a series of changes had taken place in social relations. One of the most important changes was the transformation of economic relations.

1) Ownership

In terms of ownership in the sense of "legal rights", there were two types of ownership in China, national ownership and collective ownership, "For example, there were about 9,800 enterprises and production units in Shanghai, of which 3,200 were owned by the state and 6,600 were collectively owned."²⁰⁹ Nationally owned enterprises were divided into those managed by the state and those managed by local governments, and were mainly divided into heavy industry, which produced the first category of products, and light industry, which produced the second category of products to satisfy the people's livelihoods and exports. Collectively owned enterprises were those managed by neighbourhoods or people's communes or production teams, and were small and medium-sized industrial enterprises that mainly met the needs of agriculture and the population, and also supplied factories. Collective enterprises were numerous, small in scale and of low output, "they accounted for only 4 per cent of industrial production, while state-owned enterprises accounted for 96 per cent."²¹⁰

From the beginning of the Great Leap Forward, Mao Zedong tried to mobilise local initiatives, resolve the contradictions between the central and local levels, and break the rigid centralised unified plan, while creating more favourable conditions for workers to manage enterprises. Thus, with the exception of the strategically located large enterprises, all other enterprises were decentralised to local management, a plan that was not well accomplished due to bureaucratic

²⁰⁸ Mao Zedong: 'On the Correct Handling of Contradictions Among the People', article in People's Daily, 27 February 1957.

²⁰⁹ Charles Bettelheim, *The Cultural Revolution and Industrial Organisation in China*, Chapter 2, Industrial Planning.

²¹⁰ Charles Bettelheim, *The Cultural Revolution and Industrial Organisation in China*, Chapter 2, Industrial Planning.

sabotage. By the Cultural Revolution, however, this plan was gradually implemented, and in the case of Shanghai, "46 per cent of industrial output in 1957 belonged to enterprises managed by the central government, compared to 6.8 per cent in 1970, with the other 93.2 per cent belonging to locally managed enterprises."²¹¹

During the Cultural Revolution, the development of collectively owned enterprises grew by leaps and bounds. Since they were mainly labour-intensive, they were very important at the time for solving the labour surplus in urban and rural areas, accelerating accumulation, improving livelihoods and motivating people to produce.

"The 'street factories' were owned by the residents of the neighbourhood and operated by the street revolutionary committees. They were created during the Great Leap Forward and were given a huge boost by the Cultural Revolution. They represented a new form of industrial development and reflected an effort to break up the old forms. They enabled women to participate in the social work of the community, and in 1971 some 200,000 Shanghai residents worked in such enterprises, the majority of whom were former housewives. These women wanted to work mainly for political reasons, and they did not have the financial need to subsidise their husbands' incomes. They were mainly motivated by a desire to participate in productive work.

Street businesses are engaged in a wide range of production. They cater for the needs of the local population - mending clothes, sewing, washing, and repairing. They reduce the burden of housework and involve an increasing number of housewives in production. They are also adapted to a wider range of needs - light machinery processing, transistor manufacturing, etc. These enterprises do not rely on state investment, but on these marginal resources (waste materials, old machinery, self-financing).

Although these small collective urban enterprises now mainly cater for local needs, they are also trying to adapt to wider industrial needs and hope to eventually export their products. At the local level and in the people's communes, small enterprises produced mainly for agriculture (fertilizers, agricultural tools and machinery, small locomotives, etc.) and sometimes for other factories as well."²¹²

Of course, this is not to say that collective ownership should be expanded, but only that the rapid development of productive forces should be encouraged, according to specific conditions, since modern production in all areas of production and universal ownership cannot be reached quickly. "When these enterprises reach a certain size, they are transformed into State ownership, the result of which is the supreme achievement of hard work. This factory is then incorporated directly into the state scheme."²¹³

At the same time, the development of these collectively owned enterprises, which were established from scratch, made it possible to establish new production relations directly, in accordance with the "Anshan Iron and Steel Constitution", without the need to go through a change in production relations as was the case with the previously established enterprises.

²¹¹ Charles Bettelheim, *The Cultural Revolution and Industrial Organisation in China*, Chapter 2, Industrial Planning.

²¹² Charles Bettelheim, *The Cultural Revolution and Industrial Organisation in China*, Chapter 2, Industrial Planning.

²¹³ Charles Bettelheim, *The Cultural Revolution and Industrial Organisation in China*, Chapter 2, Industrial Planning.

2) Unified plan

The factories are the basic operating bodies, above which are the industrial departments (bureaus) and specialised primary bodies. The industrial department (bureau) coordinates the various units that produce the same type of product; it also has a number of specialised subordinate departments, each with a narrower area of responsibility.

"Branch-level bodies are located between the production units and the industrial departments (bureaus). However, some very important plants are directly under the authority of the relevant department (bureau). These departments and divisions control the planning of the enterprise, both economically and politically, and they manage the drafting, creation, coordination and implementation of the enterprise's plans.

A very small number of enterprises are directly under the control of the central government and are controlled by the ministries of the State Council. In order to ensure a unified plan for the provinces, the provincial plans also included enterprises directly under the central government. These enterprises were not separated from their provinces and received help from both the central government and the provincial revolutionary committees for production planning and allocation of output.

In practice, local governments (provinces, districts and municipalities) play a large role in planning and management. This "decentralisation" allows the provincial and municipal governments to promote close cooperation between the companies within their jurisdiction. The management of each province follows a relatively independent approach to industrial development and contributes to the sustainable development of the provincial economies by producing auxiliary facilities, encouraging innovation and seeking local raw materials.

..... 'Decentralisation' enabled China's economy to grow rapidly and the administration to be cut back considerably. Moreover, such 'decentralisation' was a condition for the development of a socialist form of management, and for workers' participation in it. However, 'decentralisation' can only be effectively combined with economic planning if each subordinate enterprise subordinates its own interests to those of the whole in the formulation of its plans.

..... The Chinese people call this kind of plan, which is not centralised by administrative force, the 'unification plan'. The criterion for unification is first and foremost political unity. It relies fully on the originality of the masses and its role is to promote and centralise their initiatives.

The 'unified plan' requires the implementation of the following basic principles at all levels and in all production units, and these principles must also be followed by the workers in making plans and managing the factories: political primacy - the interests of the factory are subordinated to the interests of the whole situation and the Chinese revolution; reliance on the initiative of the masses the spirit of initiative; working hard; 'agriculture as the basis, industry as the mainstay'; 'preparing the people for war and famine'; following the general line of 'building socialism with more speed and less effort'; and 'walking on two legs' - combining indigenous and foreign activities, and using small, medium and large enterprises at the same time, using advanced technology and not excluding traditional technology. For the different sectors, the plans were also based on specific guidelines (quantitative and

qualitative) in order to implement the spirit of the general political line and to ensure the need for comprehensive and balanced development."²¹⁴

With the exception of the National Plan for Strategic Materials and the Provincial Plan for Secondary Materials, all other plans were regional.

"National plans are concentrated first and foremost in enterprises directly controlled by the central government. Exports are also centrally planned. China's foreign trade was a monopoly, with imports and exports controlled by government departments which directly directed the production of their counterparts. The technical details of the foreign trade programme are not known, but the guiding principles are clear: firstly, to avoid excessive dependence on imports for any one product; secondly, to provide assistance to specific countries; and thirdly, to increase the number of trading partners.

The national plan does not include details of all provincial and regional plans, but it plans the main needs of the different provinces. For example, for cement, the central plan sets the supply from the cement-producing province to the other provinces. This need is consolidated in the provincial plans, which must meet the cement needs of the province and other provinces.

Although the national distribution department controls the distribution of provincial products, it does not dictate how each province or district uses the raw materials allocated to it. The same process is followed in each province. The instructions each region receives are seen as its commitment to the other regions. The different levels are configured according to flexible rules, rather than being abstract, rigid and bureaucratic."²¹⁵

Such an approach to planning creates the conditions for workers to participate in the management of the national economy. Otherwise, the workers are subordinated to external planning and the direct producers are not really in control of the means of production.

"Industrial consumer goods are first planned at the regional or provincial level. The national plans and those of the different production units are not only concerned with production but also with the distribution of products. Consumer goods are distributed through the National Materials Directorate, which often plays an important role in the development and adjustment of plans. The material bureaux have an important control function because they represent the consumer to the companies - in meetings between the companies and the material bureaux they discuss the consumer's needs in detail - and ensure that these needs are fully taken into account. The production units carry out their own surveys and make every effort to find out what people need. These surveys are carried out in collaboration with and with the help of the Directorate of Materials. In the process of planning the exact amount of demand for different products, government departments calculate factors such as stock turnover rates, daily cycle production, etc. Knowing what consumers want helps production units to identify and plan for demand, although these plans do not provide details of the diversity of a single product. Product assortment plans are the responsibility of local authorities.

²¹⁴ Charles Bettelheim, *The Cultural Revolution and Industrial Organisation in China*, Chapter 2, Industrial Planning.

²¹⁵ Charles Bettelheim, *The Cultural Revolution and Industrial Organisation in China*, Chapter 2, Industrial Planning.

Samples of new products are exhibited in order to find out what consumers think and what they want. The National Materials Directorate sets specific quantities of products and revises them in the middle of the year. The production units also survey consumers' reactions to the design of their products; they carry out surveys in shops, homes and workplaces to help them decide whether to make any necessary changes.

..... The development of a plan needs to be agreed through a constant exchange of views between the grassroots and the top. The party has the final say, but because issues are largely resolved through consultation, any conflicts that arise are secondary. Planning in China is characterised by a reliance on the people rather than a focus on the opinions of 'experts'. This is a political issue. It combines a political orientation in which the general line and specific Party directives rely on the initiative of the masses, with a focus on maximising innovation and making every effort to avoid waste. While the central government played an important role in the overall balance, its role in developing and improving the plan was relatively limited. Such programmes were designed to promote socialist co-operation and to rely on a united working class to advance the productive forces of society.²¹⁶

In short, this approach to planning breaks down the bureaucratic rigidity of the model and, through the interaction between the different levels of institutions, integrates demand, workers, factories, localities and the centre, resulting in a unified plan. It was a way of ensuring workers' participation in economic planning and of achieving a unified and balanced economic plan that was also conducive to products that met workers' needs and to technological innovation. It is also conducive to the satisfaction of workers' needs and technological innovation.

3) Relations between production units and between individuals

"The production units are not only in indirect contact with each other through their counterparts in the office, but also directly through the close contact between the factory workers. Whenever a problem arises, we all work together to find a solution. These direct relationships are the concrete expression of socialist collaboration.

The close contact that exists between the different production units does not in any way mean that they maintain a direct market relationship. Prices are not set by the factories. The distribution of products between enterprises is determined by the State Materials Agency, which also distributes products to individual consumers. This is important in order to limit unplanned exchanges.

Prices play a fairly minor role in the Chinese economy. At the level of society as a whole or of particular production units, the maximisation of monetary income is not the main factor influencing planning objectives. Although this does not mean that no effort is made to reduce costs, prices do not guide production. Production is determined by the political line. Prices themselves are merely a secondary expression of the political line.

..... The selling price of each industrial product is based on the cost price: the selling price to the Bureau of Materials is equal to the average cost price plus 15%, and this increment is added to the Social Accumulation Fund; the selling price to consumers is determined on the basis of changes in policy.

²¹⁶ Charles Bettelheim, *The Cultural Revolution and Industrial Organisation in China*, Chapter 2, Industrial Planning.

In short, consumer goods can be divided into three main categories: (1) essential goods - sold at the lowest possible price; (2) everyday goods - which are priced above cost but fall as costs fall; and (3) what currently appear to be secondary needs - prices remain unchanged. Overall, rather than increasing, prices have fallen.

Equipment, raw materials, energy, etc. are supplied to production units at cost. Here again, every effort is made to keep prices stable. If the cost price decreases, this decrease is not automatically reflected in the selling price of the product. If costs fall without the price of the goods falling, this makes the production plant more profitable. If the reduction in costs is considerable, this price reduction is passed on to the consumer of the industrial product, but not at the time when an annual plan is being implemented, thus ensuring that the comparison between effective costs and planned costs is not invalidated. The savings that companies make by paying less than expected are not due to their efforts, but to a reduction in the price of raw materials. Price stability is preferable in order for each production unit to be able to calculate its operating costs accurately. In any case, what is produced and how it is produced (application of technology, use of raw materials, etc.) does not depend primarily on monetary competition. Basic decisions reflect the basic needs of overall economic development. This is different from monetary accounting, which can be made by independent production units."²¹⁷

Thus, prices, the key element of the capitalist economy, no longer play an important role in socialism, and in fact people are no longer bound by external, material relations, but can regulate social relations on their own. Of course, between the collective and the collective, between the collective and the entire population, the law of value still plays a major role, and the rush to eliminate the commodity and the law of value is actually beyond this stage. Of course, under socialism, people are not blindly controlled by the law, but on the basis of their knowledge of the law, they make certain adjustments according to their needs and in accordance with the law, so that prices are subordinated to the development of society as a whole and to the interests of the proletariat.

"The interests of the production enterprise are thus subordinated to the general national interest. This is the driving force behind a new type of economic development - products are no longer dominated by exchange value, by monetary gains in output, but by use value. This heralded a fundamental change in social relations, both in the economic base and in the superstructure."²¹⁸

4) Factory management and mass organisation

During the Great Leap Forward, the workers of Anshan Iron and Steel Works proposed the "Anshan Iron and Steel Works Constitution", but it was difficult to promote it because of the bureaucratic obstacles. During the Cultural Revolution, this relationship of production was realised on a large scale. Workers' participation in management was mainly achieved through several levels of organisation.

The first was the workers' management group.

²¹⁷ Charles Bettelheim, *The Cultural Revolution and Industrial Organisation in China*, Chapter 2, Industrial Planning.

²¹⁸ Charles Bettelheim, *The Cultural Revolution and Industrial Organisation in China*, Chapter 2, Industrial Planning.

"The election of the worker management group is organised by the shift or workshop and supervised by them, and the management methods are based on the principles of the worker management group. The members of the group are elected by the organisation corresponding to the level at which the group is located: factory, workshop or shift. This gives the group a solid base of workers. Candidates must be active in the study and application of Marxism-Leninism and Mao Zedong Thought, have some experience and be representative of the general public.

..... The management team has five areas of work: (i) ideological and political work; (ii) production and technological innovation; (iii) financial and material matters (cost control, investment, etc.); (iv) labour safety; and (v) general welfare. They are intermediate between the functional management and the public, playing the role of management entities, as well as assistants to the party members and the administration."²¹⁹

The second is the Red Guards.

"The Red Guards were closely linked to the activities of the Workers' Management Group. The Red Guards actually acted as a watchdog over other organisations: they recorded workers' criticisms and opinions on the effectiveness of the work of the Workers' Management Group, the Revolutionary Committee and the Party Committee. The aim was to prevent these organisations from becoming detached from the masses. The Red Guards advanced the ideological revolution in the factories, assisted the leadership of the working groups, and played an important role in analysing the ideas of the masses and in opposing and preventing revisionism."²²⁰

The third is the Revolutionary Committee.

This was the central leadership body, the "three-in-one" combination. "The Revolutionary Committee is responsible for coordinating relations between the factories and between the factories and the planning offices. It supervised the implementation of the plans drawn up in the light of the general political situation. During the Cultural Revolution, the post of factory director was abolished and the director and deputy directors of the Revolutionary Committee assumed management positions; the director of the Revolutionary Committee was responsible to a higher authority. The director of the committee had the power to decide on plans in relation to other factory matters, such as delivery dates, but these decisions had to be taken after consultation with the workers.

..... The Revolutionary Committee is an elected body whose composition is decided by the workers themselves. They draw up a list of candidates and narrow down the number of candidates on the basis of extensive discussions. The factory workers then take a final vote. In the revolutionary committees in the factories I visited, most of the members were industrial workers, who were not off the job and whose wages remained the same."²²¹

²¹⁹ Charles Bettelheim, *The Cultural Revolution and Industrial Organisation in China*, Chapter 1, General Knitting Factory.

²²⁰ Charles Bettelheim, *The Cultural Revolution and Industrial Organisation in China*, Chapter 1, General Knitting Factory.

²²¹ Charles Bettelheim, *The Cultural Revolution and Industrial Organisation in China*, Chapter 1, General Knitting Factory.

Fourthly, the party committee.

"The acceptance of criticism by the masses by the cadres changed the relationship between the cadres and the masses. The election of new committees took place after the Party had completed its reorganisation in various areas. In preparation for the elections, it is the people who decide on the composition of the committees (which varies from factory to factory) and on the list of candidates.

..... The Party Committee is the political leader and is supported by the Revolutionary Committee and the Workers' Management Group. The Revolutionary Committee has representatives from all three parties, while the Workers' Management Group is composed only of workers. In addition to the overall leadership of the Party Committee, the Party has branches at the shop and team levels. The Revolutionary Committees in each factory carry out the revolutionary line set by the Party Committee. The management of the factory was the responsibility of the Revolutionary Committee and could therefore be seen as a special aspect of the implementation of the political line."²²²

This mode of management was an important step towards solving the spontaneous division of labour between mental and manual, and the social basis for the restoration could only be eliminated if the direct workers were able to gradually manage production. Of course, this process cannot be achieved overnight. Only when workers learn in workers' evening schools and study groups to raise their political awareness, learn management and technical knowledge, and accumulate experience in management and technical innovation in this mode of management, and when cadres and technicians participate in labour to change their thinking, can the spontaneous division of labour be finally eliminated. This will require the continuation of the reform of production relations under the right conditions.

5) Reform of the distribution system and the elimination of privileges

During the Cultural Revolution, the wage system was reduced to eight levels, reducing the proportion of the distribution according to labour. The privileges of cadres in education, health care and housing were also abolished and many backdoor practices were severely criticised. Newly promoted cadres were given no pay rise, with the aim of gradually eliminating bourgeois right. Although this could not be achieved quickly, the Cultural Revolution made it clear that bourgeois right was the basis for the restoration and narrowed the differences, taking a big step towards the elimination of bourgeois right.

6) The development of productivity and the improvement of people's living standards

As a result of the innovation in the relations of production, despite the economic devastation in the second half of 1967 and 1968 during the great violence, in 1975 during the bureaucratic strikes, and in 1976 during the constant calamities, the average annual growth in gross industrial and agricultural product was 9.6% during the Third Five-Year Plan period (1966-1970) and 7.8% during the Fourth Five-Year Plan period (1971-1975).

More than 190,000 new industrial enterprises (social enterprises and above, excluding individual and cottage industries) were established, with 45.34 million new employees and an annual increase of 9.05% in investment in all units. In many regions, agriculture has been mechanised and semi-

²²² Charles Bettelheim, *The Cultural Revolution and Industrial Organisation in China*, Chapter 1, General Knitting Factory.

mechanised. Rural community enterprises had also developed considerably, with rural areas producing half of the country's fertiliser before 13 sets of foreign-imported fertiliser equipment were put into operation in the late 1970s. A significant proportion of the agricultural machinery was also made by the countryside itself. A number of small factories produced in various fields such as cement, iron and steel, chemicals and medicine. By the end of the 1970s, the number of social enterprises had reached 1.3 million, with an output value of over 20 billion yuan, absorbing 30 million people, or 10% of the rural labour force.

In addition, in order to bridge the gap between rural and urban areas and between workers and peasants, the cities transferred outdated small factories and technologies to the countryside, and technicians, scientists and managers went to the countryside to train the peasants by providing books and teachers. Some of the young people who went to the countryside became the backbone of the social enterprises. The infrastructures of transport, water and electricity, and health care were also fundamental to the large-scale development of social enterprises in China. At the same time, in accordance with Mao Zedong's theory that the means of production could be exchanged within the scope of public ownership, the state-run tractor stations were abolished and tractors were handed over to communes or brigades. The number of large and medium-sized tractors increased from 70,000 in 1965 to 550,000 in 1978, and the number of small and medium-sized tractors increased from 4,000 in 1965 to 1.37 million in 1978, and mechanical farming and irrigation began to be used in many places.

Of course, in order to train a large rural medical workforce in a short period of time, a crash course was used. The length of medical school was reduced from six to three years and the curriculum was reduced. The entire medical system was decentralised and all urban medical staff began to rotate to the countryside. By the early 1970s the number of auxiliary staff, such as "barefoot doctors", had increased fourfold compared to 1965. They were often trained for only six months before going into practice and were responsible for health education and family planning in addition to treating common diseases. Such initiatives had significantly changed the health situation in the countryside.

Education has also made great progress. By shortening the school system and accelerating popularization, the number of pupils in primary schools increased from 100 million to 150 million and in secondary schools from 13 million to 59 million; the number of primary school teachers increased from 3.85 million to 5.22 million and the number of secondary school teachers from 710,000 to 3.28 million. The vast majority of these were in rural areas, with secondary school management devolved to communes and primary schools to production brigades, no longer under the unified management of county governments. School fees, entrance examinations and age limits were abolished or greatly reduced. Part-time education and part-time half work-half study education during the Great Leap Forward also resumed.

There was a surplus of 980 million US dollars in foreign trade, and a surplus of 2.23 billion yuan in finance (3.163 billion yuan according to the original statistical register). At the time of the Cultural Revolution, there was a state of national and financial optimality that no country in the world had achieved, i.e. no domestic or foreign debt. The money circulation grew by 6.75 per cent per annum, with a cumulative increase of 12.12 billion yuan in banknotes, averaging only 932 million yuan per annum; the difference between bank deposits and loans was 71.55 billion yuan by 1978, consumer prices grew by only 0.3 per cent per annum, retail prices increased by only 0.1 per cent, the average

wage of employees grew by 0.35 per cent per annum and the level of consumption of the population grew by 2.25 per cent per annum.²²³

Education and health care have the contradictory relationship between popularisation and improvement that Mao Zedong talked about in literature and art. However, socialism should have as its fundamental aim the access of the masses to education and health care, and therefore universal access is the basis on which improvement can be better. Capitalist societies are obsessed with improvement because, in fact, their health care and education, as well as their literature and art, are only for a few people, so they do not have to consider the lives of workers and peasants.

Many people believe that the Cultural Revolution destroyed the economy, but this is not true. In fact, the Cultural Revolution transformed the relations of production, motivated workers and liberated productive forces. It proved that workers could gradually become involved in management. In the old society they did not have the opportunity to learn and gain experience, but given these conditions, workers could manage production just as well. Although political struggles did to some extent undermine production, as with every change in social relations, the economy would eventually stagnate if it did not go through such pain, and it was worth sacrificing immediate benefits for the long term. What is more, the only important question to be resolved is the question of who the economy is for. After the reform and opening up, it cannot be said that the economy has not developed rapidly, but what benefits have the workers and peasants who created the value gained?

2 Changes in the political system

The fundamental task of the socialist phase is to eliminate classes through the dictatorship of the proletariat. In this process, the state should replace the representative institutions of the bourgeoisie with practical institutions; "turn state officials into simple executors of our mandates, into 'overseers and accountants' accountable to the electorate, removable and paid a pittance (and, of course, with all kinds and classes of grades of technicians)."²²⁴

The "three-in-one" revolutionary committee is actually such a form of political power. Although in many places this form was imperfect, complete electoral replacement was impossible, and after the army was purged, the revolutionary committees in many places were mainly controlled by capitalist roaders, under the circumstances at the time, the power of the proletariat was only sufficient to advance political relations so far. If the proletariat's line of continuing revolution could have been pursued, then further changes in political relations could be brought about by continuing revolution.

As a result of the "streamlining" and decentralisation of power, the number of State Council ministries and commissions was reduced from 90 to 27 in 1970, and the number of administrative staff was reduced from 60,000 to 10,000, while the number of revolutionary committees at all levels was "streamlined" even more. Based on Mao Zedong's instruction that "the vast number of cadres should be sent to work, which is an excellent opportunity for cadres to re-learn", a large number of cadres who had been knocked down or "streamlined" were sent to the "May 7 Cadre School" to study and participate in production work but retained their salaries. In this way, the legacy of the

²²³ For data, see Sun Xuewen, *"Mao Zedong's Unparalleled Merits and the Sun and the Moon Shine Together"*, edited by Liu Guoguang, China Financial Statistics (1952-1996), China Finance and Economy Publishing Co. Publishing House, 1997 edition, National Statistical Yearbook.

²²⁴ Lenin: 'The State and Revolution', Selected Works of Lenin (vol. 4). Beijing: People's Publishing House, p. 154.

capitalist "bureaucracy" was further eradicated and the proletariat gradually turned officials into "simple executors".

During the Cultural Revolution, the people also had the right to the "Four Big Democracies", so that they could not only elect the governing bodies, but also participate in the management and supervision of the state themselves, which was not simply a formal democracy, but a real "great democracy", which was important in preventing restoration.

At the same time, in order to gradually replace the standing army with "armed workers", the slogan of "all the people are soldiers" was raised during the Cultural Revolution, and by the end of the Revolution the militia had grown to 200 million and was allowed to bear arms. This was a further step towards the elimination of bureaucracy, which could only be ensured politically if the machinery of violence was gradually put into the hands of the people. At the time of the reform and opening up, the first step for the bureaucrats was to eliminate the people's armed forces and strengthen the standing army.

3. Cultural change



During the Cultural Revolution, one of the cultural changes was that the proletarian line of literature and art replaced the bourgeois line of literature and art. The image of the worker, peasant and soldier became the main positive image of literature and art, replacing the image of the talented man. By "highlighting the positive images, the heroic images among the positive images, and the main heroic images among the heroic images", people were inspired to destroy all reactionaries and advance the revolution. The combination of revolutionary realism and revolutionary romanticism also played an important role in raising the political consciousness of workers and peasants by criticising the capitalist vestiges within socialism and promoting the elements of innovation.



The most successful of these were the eight 'model operas' created under Jiang Qing's auspices: the Peking Opera 'The Red Lantern', 'Taking Tiger Mountain by Strategy', 'Shajiabang', 'On the Docks', 'The Raid on the White Tiger Regiment', the ballet 'The Red Detachment of Women', 'The White Haired Girl' and the symphonic music 'Shajiabang'. In addition to the political aspect, the artistic approach was also extremely sophisticated, taking an innovative approach based on a combination of traditional Chinese and foreign arts. The films *Spring Seedlings*, *Red Rain* and *Breakup* were also extremely successful, criticising the bourgeois line and celebrating the revolutionary spirit and great creativity of the proletariat in promoting the continuation of the revolution, with the revolutionary themes of medical care and education respectively.

2. The Last Stand

1. The Tenth Congress of the Communist Party of China and the "Criticism of Lin Biao and Confucius"

From 20 to 31 May 1973, the Central Committee held a working meeting to prepare for the Tenth Congress of the Communist Party of China. In accordance with Mao Zedong's proposal, the Politburo of the Central Committee decided that Wang Hongwen should work for the Central Committee and attend the Politburo meeting together with Hua Guofeng and Wu De. The meeting decided to set up a group under the charge of Wang Hongwen to propose draft amendments to the Party Constitution. The Tenth National Congress of the Communist Party of China was held secretly in Beijing from 24 to 28 August 1973, and lasted only five days. On 20 August, the Political Bureau of the Central Committee adopted a resolution approving the Central Task Force's *Report on the Review of the Counter-Revolutionary Crimes of Lin Biao's Anti-Party Group* and announced the permanent expulsion of Lin Biao, Ye Qun, Huang Yongsheng, Wu Fa Xian, Li Zuopeng, Qiu Huizuo and others from the Party.

Zhou Enlai's political report on behalf of the Central Committee was drafted by Zhang Chunqiao, Yao Wen Yuan and others. The report affirmed that "the political and organisational lines of the Ninth Congress are correct" and called on the Party to "insist on continuing the revolution under the dictatorship of the proletariat" and said that "the struggle between the two lines within the Party will persist for a long time" and made it a priority to criticize Lin Biao's "extreme rightist essence". The Tenth Congress of the Communist Party of China enriched the content of the experience of the struggle between the two lines and made the criticism of revisionism a long-term task for

strengthening the ideological construction of the Party. The Tenth Congress elected five Vice-Chairmen: Zhou Enlai, Wang Hongwen, Kang Sheng, Ye Jianying and Li Desheng, plus Zhu De, Zhang Chunqiao and Dong Biwu to form the Standing Committee of the Central Political Bureau. Deng Xiaoping, Wang Jiaxiang, Ulanfu, Li Jingquan, Tan Zhenlin, Liao Chengzhi, Jiang Qing and Yao Wenyuan were elected as members of the Central Committee. The arrangement of the Tenth Congress was in fact a hope that the Cultural Revolutionaries and the Party bureaucrats could achieve a balance of power while the Cultural Revolutionaries did not yet have the strength to dominate the regime, so that they could build up their strength and gain experience in order to advance the revolution again.

On 7 August 1973, the People's Daily published Yang Rongguo's "*Confucius - a thinker who stubbornly supported the slave system*", which kicked off the criticism of Confucianism. On 18 January 1974, with the approval of Mao Zedong, the Central Committee of the Communist Party of China (CPC) forwarded *Lin Biao and the Doctrines of Confucius and Mencius*, which was selected and edited by Jiang Qing. In fact, the campaign mainly linked Lin Biao with the retrogression of Confucianism, praising the advancement of history and criticising the retrogression and restoration through the "evaluation of the law and criticism of Confucianism", which was actually a metaphor for criticising the restoration of capitalism and inspiring people to continue the revolution.

At the same time, criticism in the field of education began to unfold. On 19 July 1973, the Liaoning Daily published "A thought-provoking answer sheet", praising Zhang Tiesheng, a "hero of the blank papers" who had "opposed the trend", and criticising the bourgeois education system and the selection system. (*Zhang Tiesheng came into prominence when he handed in a blank exam paper as a protest against the reintroduction of exams and the control of education by bourgeois academic authorities. This was praised by Chairman Mao and other leaders as a model of "going against the tide". When the capitalist-roaders seized power and ended the Cultural Revolution, he was jailed for ten years, then used his training in animal husbandry and veterinary science to set up his own animal feed company, which in 2014 was listed on the Shanghai Stock Exchange. He is now a multimillionaire and a model of going with the tide of capitalism – Trans.*) On 18 January 1974, the People's Daily reported the case of Zhong Zhimin, a cadre's son, who refused his parents' "backdoor" arrangement (*ie using one's connections or "guanxi" for personal gain – Trans.*) and demanded to leave school and be discharged from the army. This uncovered corruption was quickly linked to the Confucian idea of family orientation, and was turned into "criticism of Lin, criticism of Confucius and criticism of the back door", a focused criticism of the "back door" problem arising from the recommendation system of universities. Later on, Ye Jianying "made a mistake" by sending two sons of high cadres to university, and Jiang Qing brought this matter to the Central Politburo for serious discussion. During this period, the "Ma Zhenfu Commune High School Incident" occurred in Henan Province, in which a female student committed suicide after being blamed by the school for failing to finish her English examination paper, which also led to social criticism of teachers and educators.

As the "criticism of Lin and Confucius" movement developed, local rebels who had been forcibly suppressed by the army resumed their struggle, but the issue of factionalism erupted once again, and in some places there were even armed battles. However, the movement was restricted and teams formed by alliances and combat teams were banned. On 18 June, the State Planning Commission reported that industrial production in the first half of the year had "fallen in many areas. The main problem was that coal and railway transport were in a poor state, while steel, fertilisers and other military products also owed more, which had a greater impact on the overall national economy and war preparations". Coal decreased by 6.2% compared with the same period of last year, railway transportation decreased by 2.5% compared with the same period of last year,

steel decreased by 9.4% compared with the same period of last year, and chemical fertilizer decreased by 3.7% compared with the same period of last year. On 1 July, the Central Committee of the Communist Party of China issued a circular on "Grasping the Revolution and Promoting Production".

On 26 December 1974, Mao Zedong and Zhou Enlai made the "Changsha Decision" to convene the Fourth National People's Congress, saying.

"Why did Lenin speak of exercising dictatorship over the bourgeoisie? This question must be thoroughly understood. Lack of clarity on this question will lead to revisionism. This should be made known to the whole nation. Our country at present practises a commodity system, and the wage system is unequal too, there being the eight-grade wage system, etc. These can only be restricted under the dictatorship of the proletariat. Thus it would be quite easy for people like Lin Biao to push the capitalist system if they come to power. Lenin said, "Small production engenders capitalism and the bourgeoisie continuously, daily, hourly, spontaneously, and on a mass scale." This also occurs among a section of the workers and a section of the Party members. Both within the ranks of the proletariat and among the personnel of state organs there are people who follow the bourgeois style of life."

This was, in fact, a refinement of Mao's theory of bourgeois right, the existence of which was the very basis of capitalist restoration and which had to be restricted and social development pushed forward to eliminate it in order to achieve ultimate victory. Through the reorganisation that began in 1968, the Cultural Revolutionaries were able to stabilise their position, take timely counter-attacks and gain experience and theoretical improvements that were actually conducive to the next revolutionary push, but the time left for Mao and the Cultural Revolutionaries was running out.

2. The bureaucratic reorganisation and the "counter-rightist revisionist wind"

The First Session of the Fourth National People's Congress was held in Beijing from 13 to 17 January 1975. The Conference adopted Zhou Enlai's Report on the Work of the Government and Zhang Chunqiao's new Constitution. In the Report on the Work of the Government, Zhou Enlai formally proposed:

"Starting from the Third Five-Year Plan, the development of our national economy can be envisaged in two steps. The second step is to fully modernise agriculture, industry, defence and science and technology within this century, so that our national economy will be at the forefront of the world."

By 1975, China had basically established an independent and complete industrial system and national economic system, and it can be said that the first step had basically been completed. In fact, many regions had already modernised their agricultural production. However, the eventual restoration of capitalism did great damage to the economic development strategy, so that agriculture has not been modernised to date, and many industries and sectors of the tertiary sector have also remained or regressed to a backward state.

The new Constitution proclaims that "the People's Republic of China is a socialist state under the dictatorship of the proletariat" and states that "the Communist Party of China is the leading core of the Chinese people. The working class achieves leadership of the state through its own vanguard, the Communist Party of China". The new Constitution affirms that the People's Commune and the Revolutionary Committee are the administrative bodies of the Chinese government and that the Revolutionary Committee "must be composed of the old, the middle class and the young". At the

same time, it was proposed that "members of the people's communes may operate a small amount of self-reserved land and family sideline businesses, and members of the herding communities may have a small amount of self-reserved livestock". The new Constitution also stressed that "the proletariat must exercise complete dictatorship over the bourgeoisie in the superstructure, including all cultural fields. Culture and education, literature and art, sports and health, and scientific research must all serve proletarian politics, serve the workers, peasants and soldiers, and be combined with productive labour." It is proposed that "the right to speak out freely, to air views fully, to hold debates, and to write big-character posters are the new form of socialist revolution created by the people. The state guarantees that the people will use this form to create a lively political situation with centralisation and democracy, discipline and freedom, a unified will and individual comfort, so as to help consolidate the leadership of the CPC over the state and the dictatorship of the proletariat." Secondly, in the section on freedom, the "freedom to strike", which Mao had demanded since 1956, was added.

In March 1975, with the support of Mao Zedong, Deng Xiaoping began to rectify various fields of economy and politics. When rectifying railway transportation, he proposed: "To grasp the revolution, the main thing is to overcome the bourgeois factionalism and improve the rules and regulations... The word 'strict' is the top priority, and we must exceed the proper limits in righting a wrong." What followed was Deng Xiaoping's consistent iron-fisted and even ruthless style. After severely cracking down on grassroots rebel organizations and resolutely suppressing the so-called "disturbing factions", they forcibly suppressed factional issues. In May, Deng Xiaoping carried out the reorganization of the iron and steel industry again, also by attacking factionalism with an iron fist and establishing strict rules and regulations and labour discipline. And in September, the "Twenty Articles of Industry" were formed. This is what the Cultural Revolution once strongly criticized. While brutally cracking down on the rebels, the central government announced in April that it would carry out rehabilitative work. More than 300 cadres who had been detained for a long time were released, which became a major effort to "liberate veteran cadres" during the Cultural Revolution.

Deng Xiaoping's actions to suppress factionalism and liberate cadres enabled him to gain the approval of the bureaucracy and strengthen the bureaucrats, thus combating the power of the Cultural Revolutionaries. The Cultural Revolutionists fought back by criticizing bourgeois right. In February 1975, "Red Flag" magazine published "Study Seriously the Theory of the Dictatorship of the Proletariat", proposing that "bourgeois right exists in the area of consumer goods", with a focus on social inequality and bureaucratic privilege. On March 1, Yao Wenyuan published "On the Social Basis of the Lin Biao's Anti-Party Clique", proposing that the existence of bourgeois legal right is "an important economic basis for the emergence of new bourgeois elements." On 1 April Zhang Chunqiao published his masterpiece "On Exercising All-round Dictatorship of the Bourgeoisie", in which he proposed that "whether it is a system of universal or collective ownership, there is a problem of leadership" and that the existence of bourgeois right would lead to "the creation of new bourgeois elements one after another. "

Mao wanted Deng Xiaoping to affirm the Cultural Revolution, concluding that there were "seven points of achievement, three points of error", and that the error was "the overthrow of everything and a total civil war". Although Deng Xiaoping vowed to "never overturn the verdict" before his comeback, Deng Xiaoping no longer agreed to "three-sevens" at this time. In November 1975, Mao told Deng Xiaoping to "take charge of foreign affairs". In late November, at a special "greeting meeting", Mao said that Deng Xiaoping's move was "a right-leaning wind of reversal". On 26 November, the Central Committee of the Communist Party of China issued the "Essentials of the

Speech on Greeting", which was then studied and launched as a campaign to "criticise Deng and counter the right-deviationist reversal of correct verdicts".

At the end of 1975, Mao Zedong was very worried about the status quo that the capitalist roaders were strong, while the revolutionaries were weak and inexperienced in struggle, and could not unite more people. He knew that after his death, the proletarian regime might not be guaranteed. He wrote a poem to Zhou Enlai:

Pouring Out Heartfelt Emotions

When I was a loyal soldier for my country
Were we ever afraid of losing our heads?
Now the world is red.
Who will defend the kingdom?
I have not yet finished my work
My body is tired.
And my temples are already autumnal.
You and I,
Can we bear to give up our long-cherished wish
As it flows to the east?

Here, Mao Zedong's great pride in the past is no longer there, and he is very worried about the future of the Chinese revolution.

In early 1976, the magazine Red Flag published "From bourgeois democrats to capitalists", which put forward the theory of limiting bourgeois right.

Lenin once pointed out that "there are people who look at the victory over the capitalists like small private individuals, who say: 'The capitalists have made a fortune, now it is my turn.'" Is this not also the case with the unrepentant capitalists in the Party? They are afraid that the socialist revolution will come to them, that it will touch private ownership, that it will touch the bourgeois right they like, that it will touch the traditional ideas they want to defend, that it will touch their bourgeois position and world view, and that they will become representatives of the bourgeoisie

. To take the socialist revolution forward, the dictatorship of the proletariat must limit the bourgeois right that exists in all aspects of socialist society. This is something that those whose thinking has stopped at the stage of democratic revolution cannot accept and must oppose. In socialist society there are still traces of the old society, there is bourgeois right, there are three major differences. These things are the soil and conditions for the emergence of the bourgeoisie and capitalism. Limiting bourgeois right and gradually eradicating and eliminating the traces of the old society is a long-term task in the socialist period.

As the central, local and grassroots political forces of the Cultural Revolutionaries were not sufficiently integrated, the problem of factionalism was not well resolved and there was a lack of experience in the struggle. Although Mao took a series of measures to ensure that the proletarian regime was not flung into disarray towards the end of his life, none of them could really reverse the situation.

3. The "April 5th" Incident

At 9.57pm on 8 January 1976, Zhou Enlai, Vice-Chairman of the CPC Central Committee, Premier of the State Council and Chairman of the National Committee of the Chinese People's Political Consultative Conference, passed away. There was much debate as to who would succeed him as Premier of the State Council, and it was Hua Guofeng, the Minister of Public Security, who was put forward at this juncture in history. During his lifetime, Mao Zedong, with his great personal prestige and his ability to unify the various forces, maintained a line of continuing revolution under the dictatorship of the proletariat, and the party bureaucrats were never able to gain an overall advantage. However, after his death, it was difficult for the Cultural Revolutionaries to really fight against the party bureaucrats. Thus, before his death, Mao Zedong, in order to ensure that the line of continuing revolution under the dictatorship of the proletariat would be implemented after his death, chose Hua Guofeng, a representative of the moderate wing of the Cultural Revolution, as the top leader of the Party and the state. On the one hand, this avoided handing power directly to a more powerful bureaucratic group that was clearly following a bourgeois line; on the other hand, it avoided handing power to a less powerful and immature rebel faction that adhered to the ideals of the Cultural Revolution - a move that would have led to a huge discrepancy between power and political representation and resulted in political instability. With the moderates in power, the Cultural Revolutionaries and the moderates could unite to balance the bureaucratic groups opposed to the Cultural Revolution, and whether or not the revolution could continue, at least some of the gains of the Great Proletarian Cultural Revolution would be preserved and not completely negated.

In early February, a number of large-character posters mourning Zhou Enlai and criticising the Gang of Four began to appear, albeit on a small scale, but their inflammatory language did carry a lot of weight, and in March a copy of "The Last Words of Premier Zhou" was even circulated in Guangdong. As the Qingming Festival approached, more and more wreaths and memorials were placed in front of Tiananmen Square and the Monument to the People's Heroes, and on 5 April, as the authorities had taken away the wreaths the day before, the mourning for Zhou Enlai quickly turned into a fierce protest of nearly two million people. At 9.30pm, militia and police marched into Tiananmen Square to crack down. But because the militia and police were sympathetic to the demonstrators and because of the cautious attitude of Wu Zhong, the commander of the Beijing garrison, there was no large-scale violence. Most people were persuaded to leave, but in the end more than 200 people who refused to leave were beaten and 38 were arrested. This was the "Tiananmen Incident", or "April 5th Incident".

In fact, this incident was mainly due to the support of young intellectuals, especially the children of party and government bureaucrats, for the bourgeois line represented by Deng Xiaoping. Of course, most of them were actually there out of memory of Premier Zhou and dissatisfaction with some issues in the late Cultural Revolution. The April 7 Politburo meeting characterized the April 5th Movement as a counter-revolutionary riot, and Deng Xiaoping was removed from all positions inside and outside the party but retained his party membership. At the same time, this resolution officially announced Hua Guofeng as the premier of the State Council and the first vice-chairman of the Central Committee of the Communist Party of China.

3. The "Three Worlds" Theory and the Adjustment of Diplomatic Relations

In the face of the growing resurgence of capitalism in the Soviet Union and Eastern Europe, Mao proposed the "three worlds" theory and made a series of diplomatic adjustments.

"I see the United States and the Soviet Union as the first world; the middle faction, Japan, Europe and Canada, as the second world; and us as the third world. The Third World has a

large population, and all of Asia, except Japan, is Third World. The whole of Africa is Third World, and Latin America is Third World."

Mao Zedong wanted to unite the vast number of Third World countries to counteract the interference of imperialist countries in socialist states and the exploitation of semi-colonial countries. In its short 27 years of socialism, China, despite its economic backwardness, gave a great deal of assistance to the proletarian revolution, resistance to colonial rule and economic construction in the Third World countries, and it became the centre of resistance for the oppressed and exploited people of the world.

On 25 October 1971, the twenty-sixth session of the United Nations General Assembly voted on the resolution 2758 to restore all the legal rights of the People's Republic of China to the United Nations and to expel immediately the representatives of the Guomindang clique from the United Nations and all its organs. On 25 October 1971, the General Assembly voted on Resolution 2758. The result of the vote was that the resolution was adopted by an overwhelming majority of 76 votes in favour, 35 against and 17 abstentions.

On 9 July 1971, Kissinger visited China and the normalisation of diplomatic relations between China and the United States began. 29 September 1972 saw the establishment of diplomatic relations between China and Japan. All these adjustments were made in the light of the objective international situation, and it is a complete slander to say that before the reform and opening up, China was closed to the outside world. In fact, the so-called closed country meant that foreign capital was not allowed to enter the country.

4. The splendour and the end of the revolutionary era

On 6 May 1976, the People's Daily published an editorial by Mao Zedong, setting out in full the theory of the continuation of the revolution under the dictatorship of the proletariat.

"Some comrades, mainly old comrades, are still at the stage of the bourgeois democratic revolution and do not understand, resist or even oppose the socialist revolution. They have two attitudes towards the Cultural Revolution: one is dissatisfaction and the other is the need to settle scores.

Why did Lenin not stop? After the democratic revolution, the workers and poor peasants did not stop, they wanted a revolution. And a section of the party members did not want to move forward, some of them backed off and opposed the revolution. Why? They had become big officials and wanted to protect the interests of the big officials. They have good houses, cars, high salaries and waiters, and they are even better off than the capitalists. Some people in the Party had opposed it during the co-operative period, and they had resented the criticism of bourgeois right. The socialist revolution was carried out without knowing where the bourgeoisie was, but it was in the Communist Party, where the party was in power and taking the capitalist road. The capitalist faction is still going.

One hundred years later still why did Lenin not stop? Did he want revolution or not? Should there be a revolution in a thousand years? There will always be a revolution. There is always a part of the people who feel oppressed, the small officials, students, workers, peasants and soldiers, who do not like the big people oppressing them, so they want a revolution. In ten thousand years' time, will the conflict no longer be visible? How can it be invisible? It is visible.

In June, Mao Zedong's health was already very poor, and the central government announced that Mao Zedong would no longer receive foreign guests. On 15 June, Mao Zedong said to Hua Guofeng, Ye Jianying and others:

"Life is old when you are seventy years old, and I am over eighty years old, and an old man always thinks about the funeral. There is an old Chinese saying, "The coffin has the final word". It's almost time, we can finally conclude! I have done two things in my life: I fought against Chiang Kai-shek for a few years and drove him to a few islands, and I fought against the Japanese for eight years and invited them back to their homeland. There were not many people who disagreed with these things, but only a few people, who chattered in my ears. It is nothing more than asking me to take back those islands as soon as possible. The other thing you all know is the 'Cultural Revolution'. Not many people were for it, but many were against it. These two things are not finished, and this legacy has to be handed over to the next generation. How can we hand it over? If we fail to hand it over peacefully, we can hand it over in the midst of turmoil, or if we fail to do so, it will be a bloody storm."

From this passage, on the one hand, it is clear that the Cultural Revolution had a place in Mao's heart, that it was a new political revolution on a par with the revolutionary wars Mao had led in the first half of his life, that it ushered in a new revolutionary era different from the first 17 years of New China, that it was an unfinished business that Mao really cared about. On the other hand, it also shows Mao's pessimism at this time. He was well aware of the reality that the forces of opposition outweighed the forces of support and knew that the situation he had arranged was likely to be unstable, but the reality was such that Mao had made the most likely arrangements to continue the course of the Cultural Revolution in the light of the actual situation.

On July 6, Zhu De, chairman of the National People's Congress, who became the nominal head of state after the fourth session of the National People's Congress, died. On July 28, an earthquake measuring 7.8 on the Richter scale hit Tangshan, Hebei, killing 240,000 people and seriously injuring 160,000. At noon on September 9, local radio stations announced that "there will be an important broadcast at 4 pm." At 4 pm, radio stations across the country broadcast the "Message to the Whole Party, Whole Army and the People of All Ethnic Groups in the Country":

"The Central Committee of the Communist Party of China, the Standing Committee of the National People's Congress of the People's Republic of China, the State Council of the People's Republic of China, and the Central Military Commission of the Communist Party of China declare with great sadness to the whole Party, the army, and the people of all ethnic groups in the country: The beloved great leader of the people of all ethnic groups in our country, the great teacher of the international proletariat and the oppressed nations and peoples, Chairman of the Central Committee of the Communist Party of China, Chairman of the Central Military Commission of the Communist Party of China, and Honorary Chairman of the National Committee of the Chinese People's Political Consultative Conference Comrade Mao Zedong, after becoming ill, went through various treatments, but his condition deteriorated and the treatment was ineffective. He died in Beijing at 0:00 on September 9, 1976."

On 18 September, Hua Guofeng praised the theoretical contributions of Mao Zedong during the socialist period at a memorial service for his great leader and mentor, Chairman Mao Zedong.

"In the new historical period of Socialist Revolution and the dictatorship of the proletariat in China, Chairman Mao summed up both the positive and the negative experience of the

international Communist movement, and made a penetrating analysis of the class relations in socialist society by applying the Marxist-Leninist theory of the unity of opposites, and pointed out that the principal contradiction in a socialist society is the contradiction between the proletariat and the bourgeoisie. For the first time in the history of the development of Marxism, Chairman Mao explicitly pointed out that there are still classes and class struggle after the socialist transformation of the ownership of the means of production has in the main been completed, put forward the thesis that in socialist society there are two types of contradictions--those between ourselves and the enemy and those among the people themselves, and advanced the great theory of continuing the revolution under the dictatorship of the proletariat. Chairman Mao time and time again admonished the whole Party, the whole army and the people of the whole country, "NEVER FORGET THE CLASS STRUGGLE." He pointed out that socialist society covers a considerably long historical period and that, throughout this historical period, there are classes, class contradictions and class struggle, there is the struggle between the socialist road and the capitalist road there is the danger of capitalist restoration and there is the threat of subversion and aggression by imperialism and social-imperialism, and established the Party's basic line for the entire historical period of socialism. In view of the changes in class relations and the characteristics of the class struggle in the period of socialism, Chairman Mao drew the scientific conclusion. "YOU ARE MAKING THE SOCIALIST REVOLUTION, AND YET DON'T KNOW WHERE THE BOURGEOISIE IS. IT IS RIGHT IN THE COMMUNIST PARTY--THOSE IN POWER TAKING THE CAPITALIST ROAD. THE CAPITALIST-ROADERS ARE STILL ON THE CAPITALIST ROAD."

The death of Mao Zedong was not only the departure of a great man, but also the end of an era. From its inception in 1921, the Communist Party of China led the proletariat and the masses to complete the New Democratic Revolution and socialist transformation, and to carry on the revolution under the dictatorship of the proletariat. However, as the understanding of the contradictions of the socialist period could only be completed during the construction of socialism, and despite Mao's profound understanding of the contradictions of the socialist period and the need to continue the revolution, the bureaucratic clique had already formed and grown, the revolutionary cadres and the masses were weak and inexperienced, and there was no way to integrate politically and unite the wider forces. The Cultural Revolution inevitably failed and the proletariat was usurped by the bourgeoisie. Marx's words about the Paris Commune needed only to be changed slightly

"The Great Proletarian Cultural Revolution represented a turning point of great political significance in that it 'discovered' the fundamental form of class struggle in the period of socialist construction. The struggle of the working class against the capitalist class entered a new phase thanks to the struggle of the Chinese proletariat. Whatever the immediate outcome of this event, a new beginning of world historical significance has after all been achieved."²²⁵

²²⁵ See Marx, *The Civil War in France*.

Chapter 3 The Establishment of Bureaucratic Monopoly Capitalism

Section I. The Moderates End in Disgrace and the Capitalist-Roaders Seize Power in Full

I. Hua Guofeng's coup d'état

Mao Zedong's political strategy was to unite widely for balance and wait until there was enough power to continue the revolution. However, after his death, this political strategy was not continued. The revolutionaries such as Jiang Qing wanted to break the political balance quickly in order to gain dominance, and launched a debate in the media they controlled about whether to "act according to past guidelines" or "act according to established guidelines", eventually pushing the moderates to the opposite side. Because of the disparity in political power and tactics, the plan of the moderates and capitalists to eliminate the revolutionaries succeeded quickly.

On the night of 6 October, the coup-makers invited Wang Hongwen, Zhang Chunqiao and Yao Wen Yuan to a meeting in the name of discussing the draft of the fifth volume of Mao Zedong's Selected Works, and the three were arrested immediately, followed by Jiang Qing. Other revolutionaries such as Mao Yuanxin, Chi Qun and Xie Jingyi were soon arrested, and the militia in Shanghai was destroyed.

On 7 October, Premier Hua Guofeng was formally inaugurated as Chairman of the Central Committee of the Communist Party of China and Chairman of the Central Military Commission. On 8 October, despite the fact that Mao Zedong had signed the cremation initiative, the Central Committee made the decision to permanently preserve Mao's body and to build a memorial hall for him. At the same time, a decision was made to compile the fifth volume of the *Selected Works of Mao Zedong* and the *Complete Works of Mao Zedong*.

It was very difficult for Hua Guofeng himself to gain a foothold among the many capitalist-roaders with great achievements and huge political influence. Therefore, he needed to arrest the Gang of Four and investigate the rebels to gain the favour of the veteran cadres, and on the other hand, showing himself as loyal to Mao Zedong for legitimacy. Hua Guofeng's popularity peaked on October 21, 1976, when a mass meeting was held in Tiananmen Square to celebrate the smashing of the Gang of Four.



In this way, the three-legged stand that had been stable for a month inevitably ended with the arrest of the representatives of the revolutionaries and the suppression of the revolutionary masses. The proletarian cultural revolution was completely suppressed and the proletarian revolutionary cause in China was interrupted and began to take a sharp turn for the worse. At this point, only two factions remained, the moderates and the capitalist-roaders, and they began to fight for the right to lead the development of Chinese society.

The use of the term "Cultural Revolution moderates" to refer to the political faction represented by Hua Guofeng does not mean that they supported the Cultural Revolution, but in fact their line was fundamentally at odds with it. This term merely indicates that they did not openly oppose the Cultural Revolution and did not deny public ownership during or after the Cultural Revolution, but also that they did not support the continuation of the revolution under the dictatorship of the proletariat, preferring instead to return to a highly centralised and bureaucratic model of society.

However, the "moderates" represented by Hua Guofeng had to bear the burden of Mao Zedong and the Cultural Revolution, because this was the source of their legitimacy and a tool for them to suppress public opinion against the capitalist-roaders. Therefore, such contradictions make it impossible for the "moderates" to completely deny the Cultural Revolution and rehabilitate the old cadres on historical issues like the capitalist-roaders did. On practical issues, they could not go as far as the capitalist-roaders so they would eventually be abandoned by the bureaucracy.

In terms of ideology and politics, Hua Guofeng emphasized the "two whatevers" (*ie "We will resolutely uphold whatever policy decisions Chairman Mao made, and unswervingly follow whatever instructions Chairman Mao gave"* – *Trans.*) and "governing the country by grasping the principles", and "the principles" were class struggle. But he did not really want the proletariat to engage in class struggle, because he described the suppression of the revolutionaries as a great victory of the Cultural Revolution. He was just following the discourse system of the Cultural Revolution in order to seek political legitimacy while suppressing the capitalist-roaders. Since historical issues and political discourse issues involve the legitimacy of capitalist-roaders, they have become the biggest differences between capitalist-roaders and moderates.

He actually wanted a highly centralised planned economy dominated by bureaucrats, and thus, one-sidedly emphasised the importance of the development of the productive forces, describing such economic construction as a demand of the class struggle. At the second conference on agricultural learning in Dazhai in December 1976, he said.

"Revolution is the liberation of the productive forces. Striving to develop the socialist economy is the main task of the dictatorship of the proletariat. On the condition that the socialist direction is maintained and the dictatorship of the proletariat is upheld, the more production is developed, the better and the faster."²²⁶

At the Eleventh Congress of the CCP in August 1977, he said that 'the productive forces are the most revolutionary factor'²²⁷. Although he claimed to uphold the socialist direction, his one-sided focus on the productivity as the most important factor was in fact only a facade. He had abandoned the line of continuing revolution under the dictatorship of the proletariat and wished to conceal the importance of the revolution in the relations of production with the sole theory of productivity, hoping to restore the bureaucratically dominated planned economy.

²²⁶ People's Daily, 28 December 1976.

²²⁷ People's Daily, 3nAugust, 1977

On the economic front, apart from advocating the restoration of a highly centralised and bureaucratic planned economic system, Hua Guofeng also advocated the continuation of large-scale heavy industrial construction and the "foreign leap forward", that is, the massive import of foreign loans and technology and the export of low-end products such as resources as far as possible. In fact, after stifling the creativity and enthusiasm of the people, as a relatively economically backward country, the only way to achieve rapid economic development was to rely on foreign capital. In fact, after the reform and opening up, the capitalists could only actively bring in foreign capital to develop the economy.

However, the price of this type of development was that we had to follow in the footsteps of others, restricted in every way and under constant control, which was the type of development criticised during the Cultural Revolution. At the same time, this model of development also meant that most of the economic power devolved to the local level during the Cultural Revolution had to be re-centralised to the central government. But after the decentralisation that had taken place during the Cultural Revolution, a return to a centrally planned economy was bound to be strongly resisted by the local bureaucracy.

And for the capitalist-roaders and moderates, the support of the workers was largely temporary. Under a highly centralised and bureaucratic development model, workers' rights would be undermined. In the Cultural Revolution, the rebels uncovered a great deal of bureaucratic corruption, so the capitalist-roaders had to consider regaining their legitimacy. The capitalist-roaders therefore preferred to temporarily improve the quality of life of the workers while depriving them of their democratic rights, and to increase the production of light industry and consumer goods, the so-called "consumer goods remedy". This economic policy of Hua Guofeng was therefore neither in the interests of the proletariat nor did it have the full support of the capitalist-roaders.

Under the ideological circumstances of the time, the capitalist-roaders did not dare to propose, or even want, a radical change in the planned economy and the public ownership system, and they also wanted to restore the former expert rule of the factory, the responsibility of one director and material incentives, which was more or less the same as the line of the moderates. But they also advocated some relaxation of the individual economy, as well as justification of the basic status of the commodity economy, distribution according to work, and productive forces. These are lines full of capitalist elements, and therefore could not be accepted by moderates.

The moderates and the capitalist-roaders were thus both in conflict with each other and cooperating with each other, pulling together to bring about a retrogressive restoration of Chinese society. During this period of Chinese capitalist restoration, they were still on the same path, and Chinese society wandered backwards and forwards through the cooperation and struggle between the two factions. However, once the previous political pattern of checks and balances was broken, history was bound to move forward according to the will of the more powerful, that is, in the direction of a complete restoration of capitalism, and could not remain in a transitional zone for too long.

2. Regression and disagreement in various fields

1. Fight against the revolutionaries and the establishment of the dictatorship of the bourgeoisie

Under the joint impetus of the two factions, China began a full-scale retrogression in all political, economic and cultural fields. The first step in the retrogression was to deal a brutal blow to the revolutionary representatives of the proletariat and the masses, to put an end to the situation during the Cultural Revolution when the masses organised themselves, educated themselves and

liberated themselves, so that the possibility of advancing the socialist cause disappeared completely and a bourgeois dictatorship was established.

After the arrest of the Central Revolutionaries, a brutal crackdown on the mass revolutionary organisations was launched, and the bureaucratic clique proposed an "expose, criticise and investigate" campaign to remove the "hidden remnants of the Gang of Four", and a brutal crackdown began immediately. The campaign was very concentrated, and the focus was on the rebels.

No sooner had the revolutionaries of the Central Committee been arrested in October 1976 than Ye Jianying proposed that "the crimes of the Gang of Four should be thoroughly exposed and criticised, the backbone and remnants of the gang should be purged, and the residual poison of the Gang of Four should be purged from the mind". The first to be hit were the intellectuals in the "Liang Xiao" writing group, whose members, as penmen of the revolutionary faction, were subjected to public criticism, interrogation and struggle through a combination of material writing, denunciation, interrogation and small meetings.

Local "uncovering, criticising and investigating" also began rapidly. Take Henan, for example. The bureaucrats declared.

"With the same revolutionary momentum as when we fought against Japan and Chiang Kai-shek, with the same class hatred as when we accused Huang Shiren and Nan Batian, and with the same revolutionary spirit as when we fought the war and the land reform, we must carry out the great struggle to expose and criticise the 'Gang of Four' to the end, without being merciful and without stopping halfway."

The Cultural Revolution in Henan was relatively mild, but the scale of the "expose, criticise and investigate" in Henan province was unbelievable, with the slogan "not even those carrying buckets of paste could be spared" being used in some places. In Henan, 4248 cadres were investigated, 10 of the 14 members of the Standing Committee of the Provincial Party Committee were dealt with, accounting for 67%, and 23 of the 33 cadres of the former Provincial Party Committee and Provincial Revolutionary Committee ministries, both at full and deputy ministerial level, were dealt with, accounting for 70%. All the first secretaries of the province's 18 prefectural and municipal committees were dealt with, and 97 out of 118, or 82.3 per cent, were dealt with. For example, Sun Tengfang, secretary of the Luoyang prefectural committee, was sentenced to 10 years' imprisonment for "preparing to go to the mountains to fight guerrilla attacks".

In order to crack down on the rebels before the Criminal Law and the Criminal Procedure Law came into force on 1 January 1980, Henan "sentenced" 2,400 people in late 1979, forcing the detainees to be sentenced by a lower court in secret, without being allowed to hold court sessions, without presenting any evidence and without being allowed to appeal. At one point, under this almost insane repression, more than half of the prisoners in the province's prisons were convicted of "Cultural Revolution crimes". If we take into account the fact that they were not allowed to be evaluated for their titles, not given a salary increase, not allowed to work as civil servants, etc., the number of people implicated in the revolution in Henan alone was around one million.

The cadres cleaned up in Henan were basically supporters of the rebel organization "Erqi Commune". The members of the moderate organization "He Zao Zong" and the conservative organization "Ten Headquarters" were not only not punished, but were also rewarded because of their "contributions" during the investigation" and granted high positions.

In Lankao County, Henan Province, Jiao Yulu was so dedicated to serving the people that he offended many bureaucrats. (*Jiao Yulu, 1922 –1964, was the party Secretary of Lankao who mobilized the local residents to struggle against poor natural conditions. During Mao's time, he was regarded as a model of grass roots leadership – Trans.*) Jiao Yulu's comrade Zhang Qinli was personally protected by Zhou Enlai during the Cultural Revolution and became secretary of the Lankao County Party Committee, where he continued to carry out the work started by Jiao Yulu. However, on 24 December 1979, he was sentenced to 13 years' imprisonment by the Shangqiu District Intermediate People's Court for the crime of "following Lin Biao and the Gang of Four during the Cultural Revolution and rebelling against the Party and the army; persecuting veteran cadres; and digging up and fabricating Jiao Yulu's deeds to deceive the whole Party and the whole nation".

More than 1,200 cadres from the county, commune and brigade levels in Lankao were arrested and imprisoned. It was not until the 1990s that the Jiao Yulu Memorial Hall in Lankao was reopened. In the same year, Wu Zhipu, who as secretary of the Henan Provincial Party Committee in 1959 was responsible for the infamous Xinyang Incident and was convicted during the Cultural Revolution of being the "executioner of the people of Henan", was rehabilitated and Deng Xiaoping personally delivered a eulogy. In the 1990s, old cadres in Henan reflected the situation to the Central Government, saying:

"In Henan, the majority of the old cadres who persisted in their work during the Cultural Revolution were lost due to the problems identified in the investigation and criticism, and the majority of the old cadres who had been trained by the Party for decades were lost, causing harm to the work in Henan. The new provincial leaders also felt that Henan was 'missing a generation of cadres'.

Some advanced areas and units, such as Lankao, Linxian and Huixian, were stabilized earlier in the Cultural Revolution and had better production development. This was a good thing, but when the criticism and investigation was carried out, it was instead treated as they key point, and the leaders themselves sat in the front row, and there were many criticisms and a large number of dismissals. For example, Dai Suli went to Huixian to sit on the front line and uncovered the fact that the county committee team 'followed the counter-revolutionary line of Lin Biao and the Gang of Four', and all the county community teams were criticised and replaced. Many of the cadres and even model workers who had followed Comrade Jiao Yulu in sand control and forestation, and who had taken part in the construction of the "Red Flag Canal" and water conservancy projects in Linxian, were all branded as "Gang of Four". Of the more than 120 counties in Henan province, 30 or 40 were in chaos during the Cultural Revolution, while 50 or 60 were more stable, and of the nearly 300 large and medium-sized enterprises, 70 or 80 were in chaos, while more than 100 were more stable. During the criticism and investigation, there was no differentiation in these, and cadres in relatively stable units were also dismissed and criticized in large numbers. In the criticism, there were many cases of confusion between right and wrong. For example, when it came to learning from Dazhai, it did not criticize egalitarianism, the big rice pot, and cutting tails (*The latter refers to the removal of the remnants of private ownership, and was popular in the countryside – Trans.*) This was not a critique of an ultra-leftist line, but a critique of work; not only of cadres, but of the masses as well. . . . This wrong way of doing things dampened the progressiveness of the grassroots cadres and the masses, and afraid of making mistakes, they dared not even do their jobs."

The "Uncover, Criticize and Investigate" campaign did not end until 1979, and according to official figures, before the Party was reorganized in 1982, 130,000 people were expelled from the Party

nationwide, except for Guangxi, and 400,000 were dealt with directly, while Hu Yaobang once said that more than ten million people were implicated.

But there was a more violent storm. The moderates and the capitalist-roaders took the same line on the issue of the purging of the rebels, that is, by fighting the rebels, they were able to stifle the revolution and establish a bourgeois dictatorship on the one hand, and win the trust of the Therefore, in eliminating the rebel factions, the two factions formed a competitive relationship. Since Hua Guofeng had won the trust of the new bureaucrats through the "uncovering, criticising and investigating" campaign, Deng Xiaoping had to conduct a more thorough campaign, not only to root out the rebels, but also to eliminate the support that Hua had gained through the crushing of the Gang of Four and the "uncovering, criticising and investigating" campaign.

On 30 December 1982, the Central Committee of the Communist Party of China issued a circular on cleaning up the problem of "three kinds of people" in the leadership team:

"After the Central Committee proposed that the 'three kinds of people' - those who followed Lin Biao and Jiang Qing's counter-revolutionary group to start the rebellion, those with a serious gang mentality, and those who smashed and looted - should not be reappointed, the 'three kinds of people' were initially removed. However, for a number of reasons, in a few places and departments, there are still some of the 'three types of people' who remain in the leadership team or in key positions and continue to be reappointed, and some have been promoted or are preparing to be promoted as successors. These people, who are few in number, are very capable and have a wide range of influence, are a destabilising factor and a potential danger that cannot be ignored. They must be firmly removed from the leadership team and transferred out of key departments and positions. For those 'three types of people' who have been removed from the leadership team, we should strengthen the ideological and educational work for them, giving them the opportunity to correct their mistakes and abandon their old ways for new ones."

On 20 September 1983, in a conversation with Hu Yaobang, Zhao Ziyang and Deng Liqun, Deng Xiaoping again mentioned the "three kinds of people":

"Some of these people do have some skills, they can write and speak, they are quite educated, they can please people, they can do things, and they can easily gain sympathy from people. These people are very powerful and have a lot of tricks up their sleeves. After they changed their faces, they deceived some people, including the public, including some of our leading cadres. Some of them are still flying the banner of Hua Guofeng and gathering their strength under this banner. Some of them have jumped from the extreme 'left' to the other extreme and are very active in bourgeois liberalization. If we are not careful with these people, they will rise to the top. When the soil and climate are favourable to them in the future, they will rise to power and take advantage of the opportunity. Therefore, we must not underestimate the power of these people and the danger and harm they pose to our Party. These people should never be trusted."

From 11 to 12 October 1983, the Second Plenary Session of the Twelfth Central Committee was held in Beijing and adopted the Decision of the Central Committee of the Communist Party of China on the Rectification of the Party, which determined that a comprehensive rectification of the Party would begin in the winter of 1983 and that the Party's style and organisation would be overhauled in stages and batches over a period of three years. Deng Xiaoping made it very clear at the meeting,

and that the focus of the attack was on the "three kinds of people". Deng Xiaoping made it very clear at the meeting:

"The most dangerous of these are the 'three types of people'. A number of these people have been identified and dealt with, and some have corrected their thinking and actions. But there is a considerable number of people who have not changed their positions and are hiding in the Party. They are the most dangerous because, firstly, they adhere to the original gang ideology and have a set of seditious and subversive political ideas; secondly, they have cunning political skills, disguising themselves and gaining trust when the time comes, and then fanning the flames to create new turmoil; thirdly, they have moved, spread and hidden in many parts of the country, and their secret factional links have not been completely eradicated; fourthly, they are younger and more educated. Some of them have long threatened to meet in ten or twenty years. In short, they are an ambitious political force that should not be underestimated. If they are not dealt with in the course of Party consolidation, they will leave behind roots of trouble and become a time bomb."

This was followed by the "purge of the three kinds of people" campaign, which was rapidly launched in society. At the beginning of the Cultural Revolution, it was the "old Red Guards", the sons and daughters of cadres, who committed such heinous crimes as vandalism and looting, and it was the rebels and the conservatives who disrupted social order through the so-called armed struggle. The "three kinds of people" were in fact only one kind of people, namely the rebels who entered the revolutionary committee. Later Deng Xiaoping also said:

"This is about the 'rebels growing and thriving', those who started out by following Lin Biao and the 'Gang of Four'! During the 'Cultural Revolution', they revolted for a period of time, and then they were beaten down. Or maybe there was a time when they made a lot of noise and then became a loose cannon, they didn't grow and thrive!"

No matter how appalling the atrocities committed during the Cultural Revolution, as long as they did not join the Revolutionary Committee, were not rebels, or "starters", they were not included in the purge. Most of the Red Guards, whether they were the early bloodline Red Guards or the later conservative mass organisations supported by the powers that be, were absolved of responsibility. The sons and daughters of the senior cadres who had smashed and looted during the early years of the Cultural Revolution were considered to be "opposed to Lin Biao and Jiang Qing" and were protected. The "Linkage" elements were not regarded as the "three kinds of people". Many of these cadres, who had committed the most heinous crimes, were about to embark on the golden path of "official reversal" after complaining with tears and snot about the "damage" done to them by the Cultural Revolution. The prima donna, Tan Lifu, shamelessly tried to prove that Jiang Qing supported the lineage theory, but was forced by public pressure to change his name. (*In 1966, Tan Lifu posted the couplet that created the "theory of class origins" or "bloodline descent". He was jailed for six months to try and curb the spread of his "theory", and after his release, went back to study. He later became a colonel in the PLA, and in 1996 was given an official position with special government allowances – Trans.*)

Thus, the movement was not judged by the bad behaviour of those involved in the Cultural Revolution, but directly by their affiliation. The aim of the movement could not be clearer, therefore, as it was nothing more than a crackdown on the revolutionary representatives of the proletariat and the masses.

Hu Houmin, the leader of the workers' rebellion in Hubei, defended himself in court by saying:

"Since the Cultural Revolution was all wrong, it is not a case of "you are right and I am wrong". The victims of one faction have been evaluated justly and reasonably and have received all kinds of generous care, while the victims of the other faction have not only not been evaluated justly and reasonably, but are still carrying all kinds of charges (including discrimination and ostracism of their children and relatives). Isn't it said that everyone is equal before the law? I think it should be equal here too. I am willing to take all the responsibility for the harm done by the rebels on this side, but who should take responsibility for the harm done by the millions on that side? We can't say that the people on this side are the people and the people on the other side are not the people, can we?"

As a result, Hu Houmin was sentenced to 20 years in prison for his "poor admission of guilt", a sentence comparable to that of Yao Wenyuan and longer than that of all the members of the Lin Biao counter-revolutionary group, and he eventually died in prison.

Guangxi was the only place in the country where the conservatives were purged, because it was the only place where the rebels had almost completely failed and where the conservatives had completely "risen to power". The Guangxi conservative group, the "United Fingers", relying on official and military support, massacred tens of thousands of people and cadres of the "April 22" rebellion and entered the Revolutionary Committee. After the situation stabilised in 1969, many of them lost their posts, but many remained in power, and the factional struggle continued until 1983. By 1985, those who were still in power were the subject of a purge. Wei Guoqing, who the "United Fingers" wanted to protect, was not punished at all, and never even wrote a review, despite having committed the massacre of tens of thousands of revolutionary people and cadres of the rebel group "April 22".

Although the rebels did make many mistakes back then, this approach of pursuing one side without touching the other fully exposed the hypocrisy of the capitalist-roaders who, while seemingly taking a fair stand to maintain stability, were in fact brutally attacking the revolutionary forces of the proletariat and exercising the dictatorship of the bourgeoisie.

Ultimately, the 'purge of the three types of people' lasted until the end of 1989, when the rebels disappeared as a political force. This series of purges consolidated the government into a highly centralised bureaucracy, eliminating any possibility of supervision and control over the party bureaucrats. The revolutionary forces of the Chinese working class were dealt a severe blow and to this day there are no organised and powerful political representatives of the Chinese working class and the workers have not yet been integrated into a revolutionary force. Thus, in the 40 years since the end of the Cultural Revolution, the Chinese working class has remained disorganised and powerless to speak out.



L-R Hua Guofeng, Ye Janying, Deng Xiaoping at the 11th Congress of the CPC – Trans.

From 12 to 18 August 1977, the Eleventh Congress of the Communist Party of China was held in Beijing. Hua Guofeng officially announced that "the First Cultural Revolution had ended victoriously with the smashing of the Gang of Four". This was undoubtedly a confirmation of the political situation at the time, for the end of the Cultural Revolution did not lie in whether it was announced or not, but in the fact that the forces of the proletarian revolution had been exhausted and that Chinese society had begun to regress. Although he did not explicitly deny the Cultural Revolution verbally, he neither analysed the gains and losses of the Cultural Revolution in preparation for the next one, nor did he adopt policies that were totally contrary to the line of the Cultural Revolution in practice, thus this was a de facto denial of the Cultural Revolution and the proletarian revolutionary line was completely abandoned by the Chinese Communist Party.

2. Regression in the relations of production

The political crackdown on the revolutionaries was only the first step in a regression that was to follow in the economic sphere. With the gradual establishment, development and perfection of the industrial system and the easing of the international situation, it was no longer necessary to reduce consumption of everyday goods in order to carry out large-scale heavy industry and military construction, and the bourgeois restoration required the temporary bribery of workers by material means.

In August 1977, the State Council issued a circular to increase the wages of 30 million workers nationwide, and in February 1978, it issued another circular to implement double pay for holidays. It was a common tactic of the bourgeoisie to stabilise people's minds by first giving them certain benefits and then depriving them of greater rights. The increase in wages was accompanied by stricter labour discipline and management, and a complete breakdown of democratic management in the factories. The factory soon became a dictatorial, expert-ruled bureaucracy. Workers were only required to do their jobs according to discipline and plans, and were no longer motivated by democratic participation and political awareness, but by piece-rate wages, bonuses²²⁸ and discipline.

"On 6 April 1977, the Central Peoples Broadcasting Station claimed: 'In a socialist enterprise, the relationship between the Party and other organisations is that of guide and believer.' Again, it is no longer a question of mass initiative or of learning from the masses. The party committee is in charge and the workers have to do what they are told. Anything that was in line with the masses or whatever remained of mass organisation activism was condemned as being in line with 'the path of economism, trade unionism, anarchism and extreme individualism'. Any supervision of the leadership was considered a breach of discipline, while focusing on criticism of the four people who promoted the idea of the contradiction between the proletariat and the bourgeoisie within the factory."²²⁹

Under such a retreat, profit was replaced by politics, the speed of development was emphasized one-sidedly, and workers began to lose their position as masters of their own house. The core body of the Chinese press made this the most important theme of the New Year's Day editorials of the two newspapers and one magazine in 1978.

"The question of the speed of construction is not a purely economic issue, but an acutely political one. Why is the socialist system superior? In the final analysis, it is because the socialist system is capable of generating higher labour productivity and higher rates of national economic development than capitalism. The problem now is that we cannot be

²²⁸ State Council Circular of 7 May 1978.

²²⁹ Charles Bettelheim, "The Great Leap Backwards"

satisfied with what we have achieved. In a word, accelerating the pace of economic construction is necessary for the development of the class struggle at home and abroad."

This economist rhetoric actually wants people to stop paying attention to the question of who serves and who leads economic development, so that workers can ignore the reality of the class struggle. Workers' democratic management can develop the economy and the experts can also develop the economy, but in the end it is a question of "who wins over whom", a class struggle, but the class struggle was not mentioned here, and the people were deprived of their political and economic rights under the guise of economic development, thus losing their master status. By the end of the 1970s, the political education and democratic management of the Cultural Revolution had been completely replaced by strict labour discipline and material incentives.

However, this was far from satisfying the capitalist-roaders. Although the moderates practiced bureaucratic dictatorship, they did not advocate changing public ownership and the planned economy and completely excluded the capital factor. They are said to be the bourgeoisie because they held the right to manage the means of production, and they deprived the people of their status as masters of the country. However, the political line of the capitalist-roaders was to promote the complete restoration of China to capitalism, and they are the spiritual and political representatives of the Chinese bourgeoisie.

At the beginning of the reform and opening up, the economic power of private capital in Chinese society was very weak. There were hardly any private enterprises, and what could barely be considered as private capital was the small number of individual economies with very small capital and output. According to statistics, the proportion of tax revenue paid by the private sector in the three years from 1976 to 1978 was only 0.7 per cent²³⁰, which was less than 1 per cent of that paid by the state and collective sectors. The private economy also had no direct links with academia or politics.

But throughout history, the political and ideological representatives of each class have not necessarily always followed the class group. Due to the legacy of old social relations and ideologies, and the international spread of ideologies, there can be political or ideological representatives of a class that has not yet emerged or is well beyond the stage of development of that class, as well as class representatives of a dead or dying class in a given territory. This is the case with the capitalists and bourgeois intellectuals in China.

In China, the social basis for the restoration of capitalism lies in the fact that in a socialist society, capitalist elements remain in production, political relations and ideology, there are the three main differences and there is the existence of bourgeois right. The bureaucrats themselves enjoy privileges and control the means of production, and when their political power prevails over the proletariat, their privileged position and bourgeois ideology incline them towards capitalism. The small producers, the intellectuals and technicians, in short, those with a bourgeois ideology, some economic power, privileges or close ties to the bureaucrats, became the mass base of support for the bureaucrats' restoration of capitalism.

The capitalist-roaders have actually become the spiritual agents of the dead bourgeoisie in China. At the same time, with the restoration of capitalism, the Chinese bureaucracy developed into a bureaucratic monopoly capitalist group that was opposed to all workers and was both struggling

²³⁰ Chen Yongjie, ed. Beijing: China United Press for Industry and Commerce, 2010, 63 pp.

against and integrated with private capital, controlling the economic, political and cultural lifelines of China.

On 22 May 1978, Deng Liqun organised the publication of "Refuting the reactionary fallacy of the "Gang of Four" in denigrating socialist commodity production", a programmatic document that expressed the position of the capitalists. On the one hand, the article argued that China's commodity production and circulation had to be vigorously developed, but on the other hand it stressed that this commodity economy should be conducted within the limits of the Party, arguing that "socialist commodity production is essentially different from capitalism, and therefore its development will not produce a bourgeoisie".²³¹

The existence of universal and collective ownership in the socialist stage, and therefore the inevitable existence of a commodity economy, is something that no one with a common sense of scientific socialism would object to. Zhang Chunqiao once wrote:

"Within a short period of time, there will be no fundamental change in the coexistence of the two systems of ownership: universal and collective. And as long as there are these two systems of ownership, commodity production, money exchange, and distribution according to labour are inevitable."²³²

But it is crucial to recognise that the exchange of commodities itself embodies the capitalist principle of equivalence, recognising the individual or small collective appropriation of the means of production and the products, which a communist society would necessarily have to break down. In a communist society, commodities will cease to exist because neither individuals nor small collectives will possess the means of production and the products of labour will no longer be commodities; the means of production will be owned by society as a whole and the products will be distributed according to need.

At the same time, commodity production and commodity circulation are themselves necessary conditions and important contributors to the emergence of capital. Thus, although it should be recognised that commodity production will necessarily exist in a socialist society, socialism is not an ultimate goal in itself, but a stage of transition to communism. Therefore, commodities with capitalist elements should not be accepted uncritically as socialist things, the very existence of socialism being to make them extinct.

The correct attitude is, on the one hand, to recognise the inevitability of the existence of commodities in socialist society and, on the other hand, to recognise and criticise the capitalist element of these commodities and the possibility that they may lead to a return to capitalism, and to restrict them strictly.

However, on the one hand, the capitalists wanted to deny the capitalist element of commodity production and the possibility of capitalist restoration, while at the same time vigorously developing commodity production. This was because a bureaucratically planned economy could neither establish a correct price system for commodities, thus avoiding economic disproportions, nor have sufficient information to allow for a rational allocation of resources. Commodity production was seen as both the solution to this problem and the basis for the restoration of capitalism.

²³¹ Xiangqun, *'Refuting the reactionary fallacy of the "Gang of Four" in denigrating socialist commodity production'*. People's Daily, 22 May 1978.

²³² Zhang Chunqiao, *'On Exercising All-round Dictatorship over the Bourgeoisie'*, Red Flag magazine, No. 4, 1975.

On the other hand, they also wanted to restrict commodity production at a time when they wanted to revive capitalism but had not found new ways to remain at the top of society and control politics and the economy in a capitalist society, while the development of commodity production could dismantle the state system and the various social functions of the party apparatus, thus removing the objective basis of the party bureaucracy's control of society from under its feet.

Although the moderates could not accept this view, yet under the pressure of the capitalist-roaders, they were forced to write in the *Notice on the Convening of National Urban and Rural Commercial Learning from Daqing and Dazhai* issued by the State Council on 5 December 1977.

"There is an essential difference between socialist commodity production and commodity circulation and capitalist commodity production and commodity circulation. The existing socialist commodity production in our country is not more, but less. We must justifiably promote socialist commodity production and develop socialist commodity circulation."

But the moderates' doubts about the development of a commodity economy persisted, and also on the specific issue of agricultural development, they still insisted on upgrading the unit of accounting for agricultural production.

The second issue of focus was the distribution of labour. Like the issue of commodity production, the bourgeois intellectuals, mainly by arguing that the distribution of labour was socialist in nature, affirmed that "the distribution of labour is not an old capitalist matter, but precisely a new socialist matter".²³³ Deng Xiaoping commented on this article, saying "Well written, it shows that the nature of the distribution according to labour is socialist, not capitalist."

This was in effect a rejection by the bureaucracy of a relatively equal distribution, hoping to improve its own standard of living by expanding the position of managerial and skilled labour in the distribution. At the same time, it was a way of providing a basis of legitimacy for the subsequent resurgence of capitalist relations of production and class differentiation.

The essence of the distribution of labour is the recognition of the ownership of labour after the elimination of the ownership of the means of production, which remains within the "narrow vision of bourgeois right". The emergence and strengthening of such ownership will exacerbate social divisions, further widen income disparities and become a condition for the movement of capital, providing the possibility of capitalist activity.

Like the commodity economy, the distribution of labour, although not extinct in the socialist phase, must be criticised for its bourgeois nature and the gap gradually narrowed until it is extinct. The party bureaucrats' promotion of the distribution of labour as a socialist thing has increased the gap between mental and manual labour and provided legitimacy for the resurgence of capitalist relations of production and class differentiation, taking China further and further away from communism.

The third is the question of the primacy of the productive forces. The argument for the primacy of the productive forces had effectively rejected the primacy of politics and began to base the legitimacy of bureaucratic groups on their ability to develop the economy. The theoretical community of the time declared that "a class, a party or a group is evaluated as advanced or

²³³ Han Gang, *The Initial Breakthrough - A Review of the Great Discussion on Economic Theory in 1977 and 1978*. In *Studies in the History of the Chinese Communist Party*, June 1998.

backward, revolutionary or reactionary, ultimately on the basis of whether it promotes or hinders the development of the productive forces of society."²³⁴

At the time, capitalism could develop the productive forces as well as socialism, but what mattered was who served and led the economic development, without which the mastery of the workers would cease to exist. The establishment of the productivity criterion thus precluded political domination while ignoring the class nature of economic development and providing cover for the restoration of capitalism. At the same time, the capitalist-roaders have distorted history by saying that the economy stagnated during the socialist period and that reform and opening up was conducive to economic development, which is outright historical nihilism and a bunch of nonsense.

Despite Hua Guofeng's emphasis on the class struggle as an outline and his pretentious criticism of the "productivity-only theory" in the report of the 11th National Congress, he had no regard for the mastery of labour in the actual implementation of economic reforms and repeatedly stressed the primacy of economic development. The "class struggle as a platform" and the opposition to the "productivity-only theory" were in fact only political leverage for the moderates. Thus, on this issue, the moderates and the capitalist-roaders were in agreement.

In the countryside, the difference in development thinking between the moderates and the old party cadres was even more pronounced. In agriculture, the moderates continued to promote the "Learn from Dazhai in Agriculture" and "Popularise Dazhai County" campaigns, and forced "transition through poverty" (*a transition to higher stages of collectivization by relying on the spirit of being poor; labelled a "pauper's transition" by opponents, including Mao, when it emerged during the Great Leap Forward – Trans.*) from production teams to brigades for rural areas at different stages of development. Moreover, they chose 10 per cent of the country's production teams for uniform accounting and set the specific target of having one third of the country's counties become "Dazhai counties" by 1980.

Throughout the process, however, the moderates adopted a top-down approach of sending in task forces to force a major construction effort. It may appear that this was a transition to communism, but this bureaucratic approach was in fact carried out to extend bureaucratic dictatorship. For in this transition, the rights of the people were not taken into account and power was firmly in the hands of the bureaucrats. Moreover, instead of being widely mobilised and educated, the people were forced into a 'transition through poverty', which was bureaucratic in every sense of the word.

The capitalist-roaders wanted to take advantage of the spontaneity of some small peasant producers to revive capitalism, and they advocated the relaxation of restrictions on land set aside and free trade, which was in line with the previous "three freedoms and one guarantee" and the subsequent subdivision of land for contracting out. In fact, this was a response to the spontaneity of the small producers, rather than a patient political education and guidance of the small producers, which in effect gave immediate benefits and deprived them of long-term benefits. This is where the restoration nature of the capitalist-roaders becomes clearer, as well as the opposition between the economic views of the capitalist-roaders and the moderates.

3. Roping in the intellectuals

The regression in the field of culture and education, more often than not presided over after Deng Xiaoping's comeback, allowed Deng Xiaoping to establish a good image among the intellectuals. The

²³⁴ Li Zhenghua, *The Conception and Beginning of China's Reform and Opening Up*. Beijing: Fangzhi Publishing House, 2007, p. 112

bribing of intellectuals was also one of the key tools of the capitalist-roaders, and in the light of the previous brutal crackdown on intellectuals by party and government bureaucrats and the subsequent overall decline in their economic and political status, it is clear that this was only one of the tools.

As early as 1975, Deng Xiaoping said, "Science and technology are called productive forces, and scientific and technological personnel are labourers."²³⁵ Science and technology is a factor of productivity, but to call it a productive force in its own right, or to make it the "first productive force", is a clear devaluation or even disregard of manual labourers, without whom, without the accumulation of the products of labour, the means of production, science and technology are nothing.

While it is true that scientists are workers, the deliberate conflation of intellectual and manual workers hides the fact that the intellectual workers, especially the managers and technocrats among them, control the means of production and even exploit the workers. By elevating the status of intellectuals and confusing the difference between intellectuals and the proletariat, this was in fact an attempt to co-opt intellectuals while denying the possibility of a bourgeois restoration. At the National Symposium on Science and Education in August 1977, Deng Xiaoping once again affirmed this point.



(Above: Mathematicians Hua Luogeng and Chen Jingrun at the National Science Conference – Trans.)

In March 1978, the National Science Conference was held in Beijing and Deng Xiaoping reiterated the above. On behalf of the intellectuals, Guo Moruo made a speech entitled "The Spring of Science", which showed that the intellectuals had gradually fallen back on the capitalist road at this time. In this way the scientific and technological system of the Cultural Revolution was destroyed and intellectuals were once again able to override workers without having to integrate with and reform them, and workers and peasants were deprived of the opportunity to learn competence, technology and cultural knowledge. This actually increased the gap between mental and physical workers, eliminated the possibility of narrowing the gap between mental and manual labour, and deprived mental workers of the possibility of gradually converging with the proletarian cause.

The Scientific and Educational Work Symposium and the National Conference on College Admissions held in August and September 1977 affirmed the educational and scientific front of the first 17 years of the country's existence and considered the dominant aspect to be the red line, with a bourgeois

²³⁵ *Selected Writings of Deng Xiaoping, vol. 2*, People's Publishing House, 1994 edition, p. 34.

system of talent selection being re-established. Although the educational system was not perfect during the Cultural Revolution, and there was a major breakthrough in basic education, there was no better path for higher education than good teaching. But at least the Cultural Revolution was exploring a way to train 'socialist conscious and educated' workers and to avoid schools becoming a place for the bourgeoisie to train their slaves.

At this time, however, the education system was completely back to the pre-Cultural Revolution period, the university entrance examination system was restored, exam results became the main, and later the only, criterion, and intellectuals gradually began to return to work in the cities. The move of the intellectuals to the countryside had a double meaning: the building of the countryside, the improvement of the intellectual literacy of the peasants and the transformation of the intellectuals. However, the abolition of this system meant that the differences between urban and rural areas, between workers and peasants, and between mental and manual labour, would be difficult to eliminate, setting the stage for the subsequent decay of the countryside and the withering of rural education.

After the cultural sphere had moved away from proletarian leadership to bourgeois leadership, the 1980s saw the emergence of humanitarian thinking, scar literature and new poetry, and a very active humanities scene. (*Lu Xinhua's 1978 story "Scar" began a literary trend in which those, mainly intellectuals, who had been "scarred" or "wounded" by struggles during the Cultural Revolution, portrayed their suffering through fiction – Trans.*) This is what is officially called "the blossoming of a hundred flowers and the contention of a hundred schools of thought", but it was in fact a "monopoly" after the revolutionary proletariat had been completely defeated. In fact, it was mainly a reckoning of the Cultural Revolution, which was nothing more than a cry for sympathy and a vague attribution of all wrongs to the Cultural Revolution, without any reference to who had made them. After the heretics at the height of the Cultural Revolution were rehabilitated, many of them jumped from the extreme left to the extreme right and became the prototypes of the early reformist democrats, such as the "79 pro-democracy movement" in Guangdong and the Democracy Wall in Beijing.

All these moves led to a complete reversal of the intellectuals towards the capitalist-roaders, and the former rightists became even more arrogant. All these actions have caused the intellectuals to completely turn to the capitalist roaders, and the original rightists have become even more arrogant. The bourgeois ideology was in full swing, the Cultural Revolution was denied, and even the whole Chinese revolution was denied, and socialist construction was denied. The proletariat was gradually defeated ideologically and bourgeois ideology was gradually revived throughout society.

3. The capitalist-roader faction seizes power

In this way, Chinese society wandered through two years of regression in the midst of struggle and cooperation between the two factions. In the end, Hua Guofeng, who came to power in a coup d'etat, did not usher in his "18th Brumaire" as he hoped. The top and grassroots forces of the revolutionaries were wiped out in the arrest of the Gang of Four and the ensuing "Uncovering, Criticising and Investigating" campaign, and the political balance was completely upset, leaving the moderates in a completely disadvantaged position. Despite a series of collaborations between the moderates and the capitalist-roaders on the road to restoration, the moderates were not able to fully align themselves with the capitalist-roaders, and they could not go as far as the capitalist-roaders on both historical and practical issues. Although Hua Guofeng did take such measures as purging the rebels and raising wages to draw in the various classes, the political balance was

increasingly tilted in favour of the capitalist-roaders, and the marginalisation of the moderates had become the inevitable result.

Of course, this inevitable outcome was not the result of a spontaneous development of the political structure, but was achieved through three historical processes: Deng Xiaoping's comeback and the liberation of the old cadres, the discussion on the criterion of truth, and the adjustment of the political line at the Third Plenary Session and the working meetings preceding it.

Firstly, Deng Xiaoping's reinstatement was a central issue, as he had gained the general approval of the Party bureaucrats during the 1975 reorganisation, and his policies during the reorganisation had also made him gain a certain degree of approval from the intellectuals, and his reinstatement was important for the capitalists to consolidate their forces for a counter-attack. Counter-offensive played an important role, so the two sides launched several rounds of confrontation over the issue of Deng Xiaoping's return. Finally, under the pressure of Chen Yun, Ye Jianying and Wang Zhen, Hua Guofeng had to compromise, and the collective opinion of the Central Politburo was that 'a decision should be formally made to let Deng Xiaoping return to work after the Third Plenary Session of the Tenth Central Committee and the Eleventh Congress of the Party'.²³⁶

On 17 July 1977, the Third Plenary Session of the Tenth Central Committee of the Communist Party of China unanimously adopted the *Resolution on the Reinstatement of Comrade Deng Xiaoping*. Deng Xiaoping's reinstatement marked the beginning of the reunification of the capitalist-roaders; it was a major blow to the "Two Whatevers" line and greatly enhanced the cohesion of the capitalist forces.

The liberation of the old cadres was also an important struggle. During the Cultural Revolution, a large number of capitalist-roaders were defeated, shaking their social base and weakening their representation in the Central Committee, while at the same time suppressing the legitimacy of capitalist-roaders' domination of the political scene in terms of public opinion. The liberation and rehabilitation of the old cadres was therefore of great importance to the capitalist-roaders. It can be said that Deng Xiaoping's comeback and the liberation of the old cadres who had been defeated in previous movements were preparations for the capitalist-roaders to organise their forces in order to dominate society.

Under the pressure of Ye Jianying, Deng Xiaoping and Chen Yun, Hu Yaobang became Minister of the Central Organization Department at the end of 1977 and began the work of liberating cadres from the central to the local level. In 1978 alone, the Central Organization Department rehabilitated more than 130 cadres above the vice-ministerial level.²³⁷ From October 1976 to December 1978, more than 4,600 cadres who had been defeated during the Cultural Revolution were reinstated.²³⁸

Chen Yun also proposed before the Third Plenary Session of the Eleventh Central Committee that an exception be made for the election of Central Committee members by the Plenary Session of the Central Committee, and that Chen Yun, Deng Yingchao and Wang Zhen be elected to the Politburo, and that Song Renshun, Xi Zhongxun and Hu Qiaomu be elected to the Central Committee and then retrospectively endorsed by the Party Congress. This was in fact a means of strengthening the power of the capitalists in the organisation through the dictatorship of the bourgeoisie within the Party.

²³⁶ Compiled by the Literature Research Office of the Central Committee of the Communist Party of China: *Chronicle of Deng Xiaoping*, Beijing: Central Literature Publishing House. p. 156.

²³⁷ Cheng Zhongyuan: *The New Road*. 2009, Shijiazhuang: Hebei People's Publishing House, Beijing: Contemporary China Press. Pg. 77

²³⁸ Yang Jijian, *The Age of Deng Xiaoping*. Beijing: Central Compilation Press. Pg. 155.

The discussion on the criterion of truth prepared the mindset and public opinion for the overall victory of the capitalist-roaders at the Third Plenary Session of the Eleventh Central Committee. The ideological struggle between the capitalist-roaders and the moderates for dominance took the form of a dispute between the proposition that "practice is the only criterion for testing the truth" and the proposition of "the two whatevers". On 7 February 1977, the People's Daily, the People's Liberation Army Daily and the Red Banner jointly published an editorial, "Learn the documents and grasp the outline" (*below – Trans.*), proposing that "we firmly uphold all the decisions made by Chairman Mao; we consistently follow all his instructions", i.e. the famous "two whatevers". This line of advocacy of the moderates may seem foolish, but in fact it showed their helplessness in the face of the disparity of power, and they can only rely on the deceased Mao to gain their own legitimacy, which was Hua Guofeng's usual political strategy.



This claim has not been vigorously challenged for quite some time. On April 10, 1977, Deng Xiaoping wrote a letter to the Central Committee of the Communist Party of China and Hua Guofeng and Ye Jianying before his return. He could only say that "we must use accurate and complete Mao Zedong Thought to guide our entire party, army and people from generation to generation". Instead of directly opposing the "two whatevers", it can be seen that the power of the capitalist-roaders had not fully recovered at this time, they were still in a weak position in public opinion, and their legitimacy needed to be further established.

In his talk on 24 May, Deng Xiaoping directly stated the core issue of the discussion on the criterion of truth: "The 'two whatevers' are not acceptable. If we follow the 'two whatevers', we cannot justify my rehabilitation, nor can we justify the affirmation that the activities of the masses in Tiananmen Square in 1976 were justified." Thus, it is clear that this was not a discussion of the criterion of truth at all, but a political game between two political groups over a series of issues of history and practice.

On 15 July 1977, Hu Yaobang launched an internal publication, *Theory Update*, at the Central Party School, which was distributed to senior cadres to influence them. The guiding principle was twofold: "Firstly, Marxism-Leninism and Mao Zedong Thought should be applied completely and accurately;

secondly, practice should be used as the criterion for testing truth and distinguishing between right and wrong lines". If you cannot openly oppose it, you will oppose it internally; if you cannot directly oppose it, you will put forward different views on specific issues. On 10 May 1978, issue 60 of this publication published an article entitled 'Practice is the only criterion for testing the truth', which was published as a special commentary in the Guangming Daily the next day, making the conflict between the two views public.



The moderates were fiercely opposed to the article, (*above – Trans.*) while the capitalist-readers were clearly supportive and slowly gained the upper hand. At first the People's Daily was suppressed by Wu Lengxi, Wang Dongxing and many others, but the situation began to reverse when Deng Xiaoping spoke at the All-Army Political Work Conference on 2 June in direct support of the article. From 4 August to 8 December, the leading officials of 27 provinces, cities and autonomous regions and the leading comrades of the PLA units all expressed their support for the discussion of the issue of the criterion of truth, and the moderates were completely isolated and defeat was inevitable.

Obviously, to support the article "Truth", was in fact to support the capitalist-roader movement. After seven months of "non-interference" in the discussion, the Red Flag magazine, as the only position of public opinion for the moderates, was forced under pressure to publish Tan Zhenlin's article in support of the article in the last issue of 1978, while Hua Guofeng and Wang Dongxing had to agree. After the reversal of power, the Third Plenary Session of the Eleventh Central Committee explicitly affirmed the discussion on the criterion of truth, and Hua Guofeng made a self-criticism, rejecting the "two whatevers", ending the ideological struggle with a decisive victory for the capitalist-readers.

After Deng Xiaoping's comeback, the liberation of cadres and the struggle over the criterion of truth, the capitalist-readers had gained a huge organisational and ideological advantage, while the moderates were in decline, and all that was left for the capitalist-readers to do was to seize political power and complete the party's political turn. It was at the Third Plenary Session of the Eleventh Central Committee that the dominant role in guiding China's historical development after the Cultural Revolution changed hands from the moderates to the capitalist-readers.

At the Central Working Conference held before this, it had become clear that the moderates were not in control of the situation. At the beginning, Hua Guofeng, as the presiding officer, announced three official topics: discussing two documents on agricultural and rural work, agreeing on the arrangements for the national economic plan for the next two years, and studying Li Xiannian's speech at the State Council retreat, before spending two days discussing the shift of the party's focus

to economic construction. As a result, at the beginning of the meeting, Chen Yun suggested that it would be impossible to shift the focus of work to economic construction without resolving major historical issues. He raised six historical issues: the issue of Bo Yibo and 61 other so-called clique of traitors, the issues of Tao Zhu and Wang Heshou, the issue of Peng Dehuai, the issue of the Tiananmen Incident and the issue of Kang Sheng's indiscriminate naming of class enemies. The presentation of these issues drew an enthusiastic response from the participants.

The reason for discussing the question of history is to define a new political line. Only by denying the history of the continuation of the revolution under the dictatorship of the proletariat could the legitimacy of the restoration of capitalism be established. Although Hua Guofeng immediately declared the discussion on history closed and went on to discuss the paper on agricultural and rural issues, unfortunately the declaration was not valid and most of the participants continued to discuss the history issue on their own and the meeting was already outside the control of the moderates.

Hua Guofeng had to reply on 13 December, twelve days after the meeting had gotten out of hand and the Central Committee members had discussed it on their own, satisfying almost all the demands of the old cadres on the question of history. The gist of the Standing Committee's instructions drafted by Hu Qiaomu begins with the words of Deng Xiaoping, "From then on, Comrade Hua Guofeng had lost the initiative in his work, and the de facto chief of the Central Committee had gradually become Comrade Deng Xiaoping."²³⁹

At the end of the meeting, the two moderates among the five Politburo Standing Committee members, Hua Guofeng and Wang Dongxing, both made a self-criticism, and Wang Dongxing resigned from all his part-time posts as demanded by the capitalist-roaders, which showed that the momentum of the moderates had gone. At the closing session of the Central Working Conference, Deng Xiaoping gave a report entitled "Emancipating the Mind, Seeking Truth from Facts, and Moving Forward in Unity", saying that the struggle with the moderates was basically over and that "this conference has discussed and resolved many important issues concerning the fate of the Party and the country" and called on the whole party to shift the focus of work from political struggle to the four modernization drives.

The Third Plenary Session of the CPC Central Committee, which was held a few days later, "fulfilled the legal formalities for what had been prepared at the Central Working Conference."²⁴⁰ The Session adopted the *Resolution on Certain Questions in the History of our Party Since the Founding of the People's Republic of China*, which completely rejected the Cultural Revolution. The end of the joint domination of Chinese society by the moderates and capitalist-roaders, and the establishment of the capitalist-roaders as the dominant force in the development of society as a whole, set China on the path of capitalist restoration.



²³⁹ *Reminiscences of Zhu Jiamu*

²⁴⁰ *Reminiscences of Yu Guangyuan*

Section 2: The initial reform of decentralisation and profitability, and the direction of the commodity economy

I. Devolution of power and profit

1. The policy of "devolution of power and profit"

After the Third Plenary Session of the Eleventh Central Committee, the capitalists took complete control of China and the question before them was what kind of capitalism was to follow and how to restore capitalism. In the first stage, the capitalist roaders were unprecedentedly unified, that is, reducing planning factors, expanding market factors, taking rights from laborers, and giving more to enterprise managers, and at the same time reviving capital in rural areas. The communiqué of the Third Plenary Session of the Central Committee of the Communist Party of China on 22 December 1978 set out the general plan for the next stage of the restoration.

"A serious shortcoming of the present system of economic management in China is the excessive concentration of power, which should be boldly decentralised in a leading manner to give local industrial and agricultural enterprises more autonomy in their management under the guidance of a unified national plan. Under the unified leadership of the Party, we should seriously address the lack of separation between the Party and the government and enterprises, and the phenomenon of the Party taking the place of the government and the enterprises, implement the division of labour and responsibility among different levels, strengthen the authority and responsibility of management bodies and managers, reduce the number of meetings and official documents, and improve work efficiency, and seriously implement systems of assessment, rewards and punishments, and promotions."²⁴¹

On 8 March 1979, Chen Yun wrote an outline of "*The Problem of Planning and the Market*":

"There must be two kinds of economy throughout the socialist period: (1) a planned economic part (a planned and proportional part); and (2) a market-regulated part (i.e. a part that does not plan but only produces according to changes in market supply and demand, i.e. a part with blind regulation). The first part is fundamental and primary; the second part is subordinate and secondary, but necessary. With both power and the first part of the economy in hand, it is possible to build socialism. The second part can only be a useful complement (essentially harmless).

..... In the future economic restructuring and institutional reform, the adjustment of the ratio between the planned and market economies will in fact play a large part. It is not necessarily the case that the more the planned part of the economy increases, the smaller the market part of the economy will be in absolute terms; it may be that both will increase accordingly."²⁴²

In April 1979, the Central Working Conference set out the economic policy and Li Xiannian delivered a speech on behalf of the Party Central Committee and the State Council.

"In terms of the management system of the economy as a whole, it seems that there is too much centralisation, too much planning, unified collection and expenditure in finance,

²⁴¹ *Selected Important Documents from the Thirty Years of Reform and Opening Up*, edited by the Literature Research Office of the Central Committee of the Communist Party of China. Beijing: Central Literature Publishing House, p. 16.

²⁴² Chen Yun, *Selected Writings of Chen Yun* (vol. 3), Beijing: People's Publishing House, pp. 245, 247.

unified purchase and sale of materials, unified import and export in foreign trade, and the idea of 'eating a big pot of rice' prevails, without regard to economic results. All this has greatly restricted the enthusiasm, initiative and creativity of central departments, localities, enterprises and workers.

.... "First, in our national economy as a whole, planning should be the mainstay, while giving due importance to the supplementary role of market regulation"; "Second, the autonomy of enterprises should be expanded and their good or bad management should be linked to the material interests of employees." "Thirdly, in accordance with the principle of unified leadership and hierarchical management, the management authority of the central and local governments should be clarified". "Fourthly, administrative bodies should be streamlined and economic means should be better used to manage the economy."²⁴³

On November 26, 1979, Deng Xiaoping proposed: "Why can't socialism develop a market economy? This cannot be said to be capitalism. We are based on a planned economy, but also combine the market economy".²⁴⁴ On January 16, 1980, Deng Xiaoping also talked about "playing the auxiliary role of market regulation under the guidance of the planned economy"²⁴⁵

After these discussions, the central government basically decided on a plan for the first step in the restoration. The first was to expand the bureaucratic autonomy of state-owned enterprises while workers' rights were withdrawn; the second was to resurrect capital in the countryside, starting with the transfer of production to the households; the third was to expand the market factor in circulation; the fourth was to decentralise foreign trade; and the fifth was to expand local autonomy in finance.

Finally, at the Twelfth National Congress in 1982, it was formally proposed that China establish an economic system in which "planned economy is the mainstay and market regulation is the supplement", confirming the first step towards the restoration of capitalism in China. In general, the main policy at this stage was to 'devolve power and profit', which was unlike the devolution of power during the Great Leap Forward and the Cultural Revolution, for it devolved power to the bureaucrats, facilitating their transformation into capitalists, and to the small producers, directly reviving the private sector economy. In short, this decentralisation was fundamentally capitalist in orientation.

2. The restoration of rural capitalism

The countryside was used as a breakthrough for the restoration of capitalism. The countryside was the weak point of the urban regime at the time, while the cities involved the interests of many parties and the economic base of the party bureaucrats, and therefore the rural reform caused much less conflict and resistance. Moreover, the countryside itself was the weak link in our socialist economy and was extremely vulnerable to degeneration into private ownership. Mao Zedong once said, "The serious problem is to educate the peasants. The peasant economy is fragmented and,

²⁴³ *Selected Important Documents from the Thirty Years of Reform and Opening Up*, edited by the Literature Research Office of the Central Committee of the Communist Party of China. Beijing: Central Literature Publishing House, pp. 140-142.

²⁴⁴ Deng Xiaoping: "Socialism can also engage in market economy", "Selected Works of Deng Xiaoping" (Volume 2).

²⁴⁵ Deng Xiaoping: *The Present Situation and Tasks*, Selected Works of Deng Xiaoping (Volume 2)

according to the Soviet experience, it takes a long time and careful work to socialise agriculture. Without the socialisation of agriculture there can be no socialism consolidated in its entirety."²⁴⁶

In fact, the peasant has a dual nature: on the one hand, he is a labourer who has long been exploited and oppressed; on the other hand, he is a small private individual with a spontaneous tendency to produce capitalism. Although China established the people's communes during the socialist period, the peasants' tendency towards small-scale production had not been eliminated because mechanisation was not yet widespread, production methods had not been completely socialised in many places, and the industrialisation of the countryside was hampered by bureaucratic sabotage. In many rural areas, poor political and ideological work and heavy bureaucracy made collectivisation even more difficult to gain the support of the peasants. The education of the peasants is a serious problem because of the spontaneity of the peasants' development towards small private ownership, the "three freedoms and one guarantee" and the "four freedoms" being the central expression of this spontaneity. (*The "four freedoms" in the countryside emerged after the land reform and referred to the freedom of peasants to borrow, rent, hire workers, and trade in the rural areas - Trans.*) Small-scale production, on the other hand, "gives rise to capitalism every day and every hour" and runs counter to the unified and planned public economy, so the struggle between the two directions in agriculture has not ceased since the founding of the state.

The only way to educate and transform the peasants is to gradually collectivise them through primary, secondary societies and people's communes and integrate them into the state-planned economic system; accelerate the transition from small production to large-scale production in rural areas through mechanization, rural infrastructure construction and industrialization. At the same time, it is necessary to set up people's communes that unite government and society, to organise and educate the peasants politically and ideologically, and to carry out a continuing revolution under the dictatorship of the proletariat in the countryside against bureaucratisation and restoration, so as to realise the peasants' democratic management.

Although the weak link in the countryside became the breakthrough point for reform and opening up, the process was not smooth, because the rural reform was strongly opposed by the moderates, and even by the grassroots cadres and many commune members. The first thing to do was to use the usual tactics of the reactionaries, to give the peasants some economic benefits in exchange for their support, and then to carry out restoration measures that deprived the peasants of their long-term political and economic rights.

The *Decision of the Central Committee of the Communist Party of China on Several Issues of Accelerating Agricultural Development* and the *Regulations on Rural People's Communes*, adopted at the Third Plenary Session of the Eleventh Central Committee, decided, firstly, that for a longer period of time thereafter the requisition target would be stabilised on the basis of the "certain five years" from 1971 to 1975, and that from 1979 onwards the amount of grain purchased under the system would be reduced by 5 billion jin. For rice areas with a ration of 400 kg or less, and for miscellaneous grain areas with a ration of 300 kg or less, all were exempted from the levy. The shortfall in supply to the cities was met by imports.

Secondly, the prices of grain and agro-industrial products were adjusted. From the summer of 1979, the purchase price was raised by 20 per cent, and the excess purchase price was increased by 50 per cent on top of that. The purchase price of other agricultural products also had to be increased gradually, depending on the situation. For agricultural and industrial products, factory and sales

²⁴⁶ Mao Zedong: '*On the People's Democratic Dictatorship*', Selected Works of Mao Zedong (vol. 4).

prices were reduced on the basis of lower costs, by 10% to 15% between 1979 and 1980. The increase in purchase prices alone "increased the income of farmers by about 20 billion yuan".²⁴⁷

In addition to these two major economic compensation measures, it was decided to increase investment in agriculture to 18 per cent of the total capital investment, to raise to 8 per cent the total state expenditure on agricultural undertakings and support for social groups, to double loans to agriculture, and to systematically grant long-term (even to the end of the century) low-interest or micro-interest loans. These policies and economic compensations raised the living standards of the peasants, maintained stability in the countryside in the mid-1980s, ensured that rural reforms were carried out more smoothly, and raised the living standards of the peasants, allowing the new generation of leaders to establish political legitimacy.

In 1980, the average consumption level of urban and rural residents increased by 9.4% over the previous year at comparable prices, including 9.5% for farmers and 7.1% for urban residents. From 1978 to 1984, the gap between urban and rural areas narrowed from 2.5 times to 1.8 times. The production and living conditions of labourers had been greatly improved in a very short period of time, and their proportion of the population was so overwhelming, so the legitimacy of the new model could be quickly established.

However, the conditions for this success were extremely demanding and difficult to replicate: a government without a debt burden, a high concentration of economic resources in the hands of policy makers, the determination of policy makers to use this economic resource on workers to establish their legitimacy, and the absence of political interference from other social groups like private capital. As a result, this short-term surge in living standards was never seen again in the restoration, as the circumstances were never the same. And with the capitalist restoration of the 1980s, these concessions were quickly wiped out by continued inflation. It is clear that this tactic, like that of the moderates, was merely a way of blinding the people to short-lived, immediate gains and thus depriving them of long-term benefits.

In raising the living standards of the peasants, the prelude to a resurgence of rural capitalism was set in motion. The Third Plenary Session took a small step forward by first liberalising free land and free markets.



²⁴⁷ Du Runsheng: *Du Runsheng's Autobiography*, Beijing: People's Publishing House. p. 100.

"The ownership and autonomy of the people's communes, production brigades and production teams must be effectively protected by the laws of the State; it is not permissible to call upon and appropriate the labour, capital, products and materials of the production teams without compensation; the economic organizations at all levels of the commune must conscientiously implement the socialist principle of distribution according to labour, calculate remuneration according to the quantity and quality of labour and overcome egalitarianism; the commune members' self-reserved land, family sideline businesses and market trade are necessary supplements to the socialist economy and no one may interfere with them. "248

Under the historical background at that time, the ideology of the revolutionaries and moderates still affected the agricultural field, and the struggle was not over yet, so the party and government bureaucrats could not go too far. "It is not allowed to contract production to households."

In March 1979, the Agricultural Committee held a symposium in seven provinces and three counties to discuss the issue of contracting production to households with contracted production approved by the county party committee.²⁴⁹ This meeting actually opened the door for the disintegration of the rural collective economy.

In September 1979 the Fourth Plenary Session of the Eleventh Central Committee amended the *Decision of the Central Committee of the Communist Party of China on Several Issues Concerning the Acceleration of Agricultural Development (Draft)*, and the tone was slightly softened to read: "No separate farming is allowed. Except for the special needs of certain sideline production, remote mountainous areas, and single families with limited access to transportation, the production should not be divided up into individual households".

In January 1980, the State Agriculture Committee held a national conference in Beijing on the management of rural people's communes. At the conference, the opposition to household contracting prevailed. The moderate Wang Renzhong pointed out at the time that the small-scale peasant economy had not solved the problem of food for thousands of years, why could it be solved now?

At the meeting, Du Runsheng's opening was blocked, and a siege was even formed in the East China Group against Anhui, where the package of production had been extended to the household. Deng Xiaoping could only say in his speech that he was "not prepared to answer such a big question as the issue of the transfer of production to the household". In this case, the local cadres were at a loss as to what to do. Later, when Wang Renzhong left the agricultural committee, Du Runsheng lamented that "the key to solving a problem like the issue of contracting production to the household lies in convincing the party leadership."²⁵⁰

The debate around rural reform was essentially a political struggle. The moderates insisted on collectivisation and demanded that the "Dazhai" movement be promoted, arguing that the only way out for Chinese agriculture was to follow the path of the people's communes and that the accounting units be upgraded from production teams to production brigades and communes while mechanisation was being developed. The capitalist-roaders advocated respecting the principle of

²⁴⁸ *Selected Important Documents since the Third Plenary Session*, edited by the Literature Research Office of the Central Committee of the Communist Party of China. 1982, Beijing: People's Publishing House, p. 8.

²⁴⁹ Zheng Shao and He Xiaoxing, editor-in-chief: *Memorabilia of 20 Years of China's Economic System Reform*, 1998, Shanghai: Shanghai Dictionary Publishing House. page 7.

²⁵⁰ Du Runsheng: *Du Runsheng's Autobiography*, Beijing: People's Publishing House. pp. 107--111.

distribution according to labour and giving full play to the "enthusiasm" of the peasants - in fact, to the spontaneity of the small producers - by organising contractual work under the name of joint production.

Before the capitalist-roads had fully grasped the power of the central and local governments, they would not issue documents or communicate them orally. They first conducted pilot projects in impoverished and backward places such as Yunann, Guizhou, and Sichuan, and then persuaded the leaders to strive for legitimacy, and resolutely resist criticism from the other faction. In 1980, after Zhao Ziyang replaced Chen Yonggui and Wan Li replaced Wang Renzhong, he began to promote the division of fields nationwide from top to bottom.

Immediately after the central government seized power, it convened a forum of provincial first secretaries in September 1980 in the hope of unifying the thinking that subcontracting should first be carried out in poor areas to open up a gap in the system of contract production to the household. However, even after Chen Yun and Deng Xiaoping had openly expressed their support for the system of contractual responsibility for agricultural production, most participants still disagreed with the idea of allowing contractual production to go to the household, with only the provincial party secretaries of Liaoning, Inner Mongolia and Guizhou expressing their support. At the meeting, some people even said: "The contracting of production to the household is related to upholding our revolutionary integrity. If we have any opinions but can't raise them, it's OK to just keep a record."

Due to the divergent views, it was difficult to hold the meeting, and finally, under the auspices of Hu Yaobang, Wan Li and others, "*Several Issues Concerning the Further Strengthening and Improvement of the Agricultural Production Responsibility System*" was issued, which reads.

"In general areas where the collective economy is relatively stable, production has developed, and the existing system of production responsibility is satisfactory to the masses or can be improved to satisfy the masses, we should refrain from carrying out contracting production to the households; in remote mountainous areas and poor and backward areas, where the masses have lost confidence in the collective and therefore demand contracting production to the households, they should support the masses' demand."

This document only treated contracting to the household as an expedient or special policy to solve the problem of subsistence in poor areas. Wan Li, the director of the Agriculture Commission, was so depressed that he later said at a meeting, "All the people in the Agriculture Commission, except Du Runsheng, are against contracting to the household." However, it was this document that opened up a breakthrough for contracts to the household, and after this document was issued, the contract to the household began to be carried out on a large scale everywhere.

All provinces that were reluctant to implement the contract to the household, such as Fujian and Jilin, had their leaderships reshuffled. For example, the State Agriculture Committee, which opposed the introduction of contracts to the household, was abolished²⁵¹ and replaced by the Rural Policy Research Office of the Secretariat of the CPC Central Committee and the Rural Development Research Centre of the State Council.²⁵² In this way, when Du Runsheng went back to promote contracts to the household, there were no local leaders to oppose it.

²⁵¹ Du Runsheng, 'A Chronicle of Major Decisions on Institutional Change in Rural China (No. 3)', in *New Long March* (Party Building Edition), no. 6, 2006.

²⁵² Du Runsheng: *Du Runsheng's Autobiography*, Beijing: People's Publishing House. pp. 117, 130.

By the end of 1981, nearly half of the communes in the country had implemented land sharing.²⁵³ By now the central government's propaganda was often that the people were in favour of land sharing, while a few conservative and rigid cadres were against it. The fact is, however, that throughout the reform, although some poorly guided and inefficient communes did have a desire to divide up the land, accounting for around 30 per cent of the communes, the vast majority of communes did not agree to divide up the land, except for the more skilled, the well-connected and the privately owned, some of whom wanted to be separated from the others in a free market. As a result, many communes were forced to divide their land under compulsory orders, such as Zhangzhuang, which was forced to divide its land under pressure.²⁵⁴ A very few communes, such as Nanjie and Huaxideng, reverted to collective ownership after the division of their land and have continued to develop a rare form of collective capitalism to the present day.

After these tasks were completed, on 1 January 1982, the Central Committee of the Communist Party of China transmitted the Minutes of the National Conference on Rural Work, which officially gave a proper name to the system of contracting out to households.

"More than 90 per cent of the production teams in the country's rural areas have already established different forms of responsibility systems for agricultural production, and more than 80 per cent of the teams are engaged in joint production and remuneration. The various responsibility systems currently in force, including the small-section contract with a fixed amount of remuneration, the professional contract with joint production and remuneration, joint production to labour, contract production to households and groups, contract work to households and groups, etc., are all systems of responsibility for production in a socialist collective economy. No matter what form it takes, as long as the masses do not demand change, do not change it."²⁵⁵

After this series of changes, the system of contracting out to households finally moved from Anhui to the whole country, from underground to legal. The system developed rapidly thereafter, and by 1983 98 per cent of production teams had been contracted out to households.

In parallel with the reform of the contract system, the free market was gradually established, as the two are in themselves mutually reinforcing and interdependent. With the free market, peasants were free to choose the crops they produced, which were then exchanged at the market and handed over to the state. The free market also stimulated the development of small side industries. With the abolition of the unified purchasing and marketing system in 1985, rural production was completely placed under the guidance of the market, and agriculture, which was a matter of national importance, became market-oriented, guided by money rather than by the needs of the people, as the unified plan no longer existed.

It is true that uniform planning can be commandist, that asymmetries of information lead to unrealistic plans, and that the inability to steer in multiple directions leads to monotonous production. However, these problems can be solved by continuing the revolution in the socialist phase, gradually eliminating bureaucracy and achieving democratic management of the countryside. The capitalists, however, deliberately fabricate the lie that there are only two options: commune - rigid - commandist, and contractual - active - freedom. This dichotomy is essentially an ideological way of establishing the legitimacy of reform.

²⁵³ Du Runsheng: *Du Runsheng's Autobiography*, Beijing: People's Publishing House. p. 132.

²⁵⁴ Han Ding, *The Great Reversal: China's Privatisation 1978-1989*.

²⁵⁵ Du Runsheng: *Du Runsheng's Autobiography*, Beijing: People's Publishing House. p. 132.

In this way, the capitalist restoration of agriculture laid the foundation for the establishment of the entire capitalist market economy. When Mao Zedong revisited Jinggang Mountain in 1965, he told Zhang Pinghua, the first secretary of the Hunan Provincial Committee:

"Why do I take the entailment of production to the household so seriously? China is a large agricultural country. If the basis of rural ownership changes, the foundation of our industry, which is served by the collective economy, will be shaken, and who will it sell industrial goods to? The public ownership of industry will also change one day. The polarisation will happen very quickly. How will we in the Communist Party protect the interests of the people, the workers and the peasants?"²⁵⁶

Contracting leads to serious loss of collective property, land is directly occupied and used by farmers, collective means of production such as large livestock, agricultural machinery and tools are generally returned to the household at a discount, and fixed assets of commune and brigade enterprises are sold at a discount or contracted to individuals for operation. According to statistics, 70% of rural water conservancy facilities and agricultural machinery were sold at low prices, and 30% were discarded and lost their benefits. At the end of 1978, the fixed means of agricultural production (excluding land) owned by the people's communes and state farms in rural areas amounted to 97.7 billion yuan, but by the end of 1986, less than 30 per cent of the fixed means of agricultural production were collectively owned by rural communities. In Heilongjiang, which used to have a high degree of mechanisation, the vast majority of the countryside has become self-employed, with 20 per cent of farm machinery contracted out to individuals and 80 per cent sold at extremely low prices to brigade leaders and their relatives and friends.²⁵⁷

In contrast to the loss of collective property, there was an increase in private property. According to statistics, by 1978, each peasant household owned 3.64 houses on average (their value did not exceed 500 yuan) and had a balance of 32.09 yuan in savings at the end of the year, with very few material goods in storage, apart from a few simple household items and small agricultural tools.²⁵⁸ However, after the collapse of the people's commune system, the private ownership of the peasants' means of production grew rapidly, with the National Bureau of Statistics projecting that the private property of peasant households increased by 1.68 times in 1985 compared to 1981. From 1983 to 1985, farmers' privately owned large and medium-sized tractors rose from 27% to 62%, small and walking tractors rose from 68% to 89%, agricultural trucks rose from 33% to 61%, and farmer-owned threshers, flour mills and rice mills accounted for more than 50% of the total. In 1987, the proportion of production funds owned by farmers in rural production funds increased from 9% in 1980 to 54.2%, and rural production funds had changed from being mainly collectively owned to being mainly privately owned.²⁵⁹

Despite the fact that individual farmers have taken possession of machinery, the use of machinery has been very difficult, as large farms no longer exist, most farmers do not have machinery or farm animals, and those who do have machinery are unable to use it on their narrow land, some of which is so straight and narrow that a wheelbarrow cannot fit on it.²⁶⁰ Water facilities have not only not been developed, but many have been gradually abandoned, as they could not be built and repaired

²⁵⁶ Ma Shexiang, *Prelude: Mao Zedong's Return to Jinggang Mountain in 1965*. Beijing: Contemporary China Press, 1st edition, October 2006, p. 151.

²⁵⁷ Han Ding, *The Great Reversal: China's Privatisation 1978-1989*.

²⁵⁸ Pan Shi: *"Contemporary Chinese Private Economy Research"*. Shanxi Economic Publishing House, 1991, p. 25

²⁵⁹ Zhang Houyi, Qin Shaoxiang. *The current situation of private economy in China*. China Rural Economy, 1988 (12)

²⁶⁰ Han Ding: *The Great Reversal: China's Privatization 1978-1989*

in the absence of the collective. To this day, 80 per cent of China's rural water facilities were built in the 1970s and before.

In addition to these physical facilities, the production techniques of the countryside were also destroyed. During the commune era, there were many skilled people in the countryside, as the youths went to the countryside and collective production provided the basis for the division of labour, but after the division of the land into separate households, this no longer existed. For example, in Inner Mongolia, before the division of production into households, there were veterinarians in the brigade who treated the livestock of the whole brigade and took a few young people to learn veterinary techniques; after the contracting of households, the livestock were all distributed to each family, and the veterinarians only took care of their own livestock. In many rural areas, seeds, fertilisers and pesticides used to be purchased collectively by people in the brigade, but now they are purchased individually, which makes it easy to be cheated and more expensive than collective purchases.

Under such circumstances, it is a fool's errand to think that productivity has been developed. The "*Decision on the Reform of the Economic System*" adopted by the Third Plenary Session of the Twelfth Central Committee pointed out dreamily: "The fact that agricultural production, which has been worrying us for a long time, can flourish in a short period of time shows the strong vitality of my country's socialist agriculture. The fundamental reason is to boldly break through the ideological shackles of the 'Left', change the system that is not suitable for the development of my country's agricultural productivity, fully implement the joint production contract responsibility system, and exert the huge socialist enthusiasm of the 800 million farmers."²⁶¹

Agriculture grew by 7% in 1978, when there was no household contracting. After the great growth from 1978 to 1984, agricultural production began to stagnate. Moreover, in 1984, the market grain reached 400 million tons. In fact, it was mainly in that year that a large amount of grain inventory flowed out due to the rise in grain prices. Since then, due to a shortage of grain in stock, grain has hovered around 380 million tonnes.

And to produce the same amount of food requires more time from the farmer, because the machinery is no longer available, and although some farmers are motivated, this motivation can only lead to longer inputs than before, but there is a limit to such inputs. Is it not the logic of "how bold one can be, how productive one can be" to think that motivation alone can make production grow? As a result, the productivity of the countryside has suffered a serious setback, and to this day, smallholder economics is still an obstacle to the modernisation of Chinese agriculture.

In fact, the rise in food production between 1978 and 1984, although motivated, was mainly due to technological developments. The first was the seed revolution. From the 1970s to the early 1980s, the seed revolution took place in various crops, including rice, wheat, cotton and oilseeds, and played a crucial role in improving the yield and quality of agricultural products. In particular, Yuan Longping's hybrid rice technology triggered a revolutionary major increase in rice production. This technology was successfully developed in October 1973.²⁶² In 1975, more than 5,600 mu of multi-

²⁶¹ *In Selected Important Documents Since the Twelfth Congress*, edited by the Literature Research Office of the Central Committee of the Communist Party of China. 1988, Beijing: People's Publishing House. Pg. 558.

²⁶² In May 1979, the famous American Roundabout Seed Company's Managing Director, Will Wills, visited China and was amazed to discover that the Chinese were growing an unprecedented type of hybrid rice. That year the company planted three combinations of hybrid rice seeds in the rice fields of the University of California Agricultural Experiment Station. At harvest, the yields were 165.4 to 180.3 per cent higher than those of Starbonnet, a high-yielding conventional rice variety from the United States, meaning that the lowest

point demonstrations were conducted, with yields increasing by more than 20 per cent compared to conventional varieties. The total yield accounted for 61.6%. The seed revolution, led by hybrid rice, played a major role in the dramatic increase in agricultural production in the early 1980s.

The second was the fertiliser revolution, which began in 1970 with the construction of a large number of new fertiliser plants throughout the country. 13 January 1972 saw the introduction of eight more fertiliser plants from abroad, followed by the introduction of a US\$4.3 billion programme of complete plants and individual machines. In 1973, China's fertiliser production was more than double that of 1965. Following the Shanghai Communiqué, the West allowed some civilian products to be exported to China. China quickly introduced 13 large fertiliser production units, most of which were just about ready for operation by 1979, rapidly increasing the amount of fertiliser applied per acre. This had the effect of increasing yields in fields that had long been dominated by farmyard manure.

Thirdly, the construction of agricultural infrastructure before the reform showed its effectiveness. 1976 saw a 5.7-fold and 65-fold increase in the production of tractors and hand tractors, a 4.7-fold increase in the use of electricity in agriculture, a 4.9-fold increase in the ownership of power machinery for agricultural drainage and irrigation, and a 2.1-fold increase in the amount of fertiliser applied per mu. In 1977, compared to 1965, the area of irrigated farmland nationwide increased by 41%, the area of electromechanical drainage and irrigation and the total installed capacity of hydropower stations nationwide increased by 355.58% and 643% respectively. The resilience to natural disasters was greatly improved, with the area affected falling from 53.9 per cent to 26.9 per cent in 1976 compared to 1965, when the same area was affected nationwide. These improvements in irrigation and drainage conditions provided an important safeguard against droughts and floods under the individual management system of the rural joint production contract. In particular, the relatively low level of state investment in farmland irrigation in the 1980s, which declined year on year, was partly due to the benefits of investment in the 1970s.

In addition to technological development, the State's substantial increase in the purchase prices of agricultural and sideline products and the narrowing of the scissors difference between urban and rural products also played a significant role in increasing the purchasing power of the rural areas and in the prosperity of the market. Since March 1979, the purchase prices of 18 agricultural and sideline products have been raised, including: the national average purchase price of grain has been raised by 20% since the summer grain market, with a 50% increase on top of that for overbuying. From the date of purchase of new cotton, the national unified purchase price will increase by an average of 15%, with an additional 5% subsidy in the north, and an additional 30% for the over-purchased part. The national average for edible vegetable oil was raised by 27%, with a 50% increase in the overpurchase portion; the purchase price for pigs was raised by 24.6% on average, while other products were also raised by 20-50% respectively. Beginning in November 1979, the sales prices of eight main non-staple foods, including pork, beef, mutton, poultry, eggs, vegetables, aquatic products, and milk, were raised. In 1980, the purchase prices of agricultural and sideline products such as cotton, sheepskin, yellow and red hemp, timber, lacquer and tung oil were raised. The national price index for agricultural products rose by 22.1% in 1979 and by 7.1% in 1980. At the same time, the State systematically reduced the sale prices of agricultural production materials by 10-15 per cent. In 1979 and 1980, the state spent between 8 and 9 billion yuan on price adjustments each year, and the portion of the state's revenue that could be increased normally was basically spent on

yielding combination was 1.65 times higher than American rice. The Americans were dumbfounded and called them the "Magic Rice of the East".

agriculture, a major adjustment in the distribution of national income and state finances. Through this series of adjustments, the enthusiasm of the peasants for production was greatly stimulated. The year 1979 was one of the few years in which agricultural production was bumper, with record grain production. But, as has been said, this stimulus was conditional and unsustainable, and there was a limit to the increase in production through motivation.

The contracting system not only destroys productivity, but also becomes a source of destruction of resources and the environment. Collective production is destroyed and environmental management is no longer possible. Moreover, driven by the concept of private ownership, farmers are also oriented towards maximising their immediate interests, which ultimately undermine their long-term interests. In Inner Mongolia, for example, the leaders of the autonomous region began forcibly changing and restructuring production relations in the grassland pastoral areas in 1981, simply and brutally copying the practice of "joint family production contracting" practiced in farming areas and implementing the "dual contracting of pasture and livestock" as a symbol of livestock ownership, pasture use and livestock use. The nomadic pastoralists, who had been producing in groups since ancient times, were forced to change their production methods, the four-season nomadic system was abolished, the ability to prevent and avoid disasters through nomadic migration was lost, and the pastoralists, who had been balancing nutritional elements through nomadic grazing to prevent endemic diseases, started a small farming economy similar to that of a single family in an agricultural area.



In this way the grassland ecology was devastated. However, on 4 July 1984, the chairman of the autonomous region, the capitalist-roader Buhe (*son of the former Vice-President of the State, Ulanhu – Trans*) said:

"As long as we break through the resistance and put this contract system into full effect, we will be able to guide the herders to gradually break away from the closed situation of small-scale production, break through the shackles of natural economy and take a path of socialist animal husbandry development that is suitable for the actual situation in our pastoral areas."

On 8 July 1984, at a conference on pastoral work in the whole region, he said:

"We are now engaged in double contracting, which is to link the workers to the fruits of their labour to the maximum extent possible. But the abundance of water and grass also has

its disadvantages, that is, carrying this burden, lying on the grassland with abundant water and grass to eat from a big pot of rice. We need to harmonise the relationship between people and animals, animals and grass, and people, grass and animals as far as possible, in order to mobilise the herders' enthusiasm to the maximum."

On August 8, 1985, at a conference on pastoral work in the whole region, he said:

"In the old traditional way of operating grassland animal husbandry, the three major elements of man, livestock and grass have been in a state of separation and disconnection from each other 'Grass-livestock double contracting' not only solves the contradiction between man and livestock, but also the contradiction between man and grass. 'Grass-livestock double contracting' is the driving force for the development of grassland animal husbandry. Only when the grasslands are thoroughly contracted, the masses can put their energy into the grass industry and come out with a way to build livestock farming."

These unfounded words were meant to implement the restoration policy of the bourgeoisie, but the reality had already given him a resounding slap in the face. The formerly rich grasslands of Inner Mongolia have been extensively sanded out, the environment has been destroyed and the pastoral industry has declined, and the formerly well-off herdsmen have become poor.

After the abolition of the unification of government and society in 1982, 1983-1984 and 1985, agriculture regressed from collective production back to small-scale production and the fragmentation of individual production, which in turn provided an objective basis for the imposition of massive land taxes and fees and the illegal appropriation of land. This led to the increasingly miserable situation of the peasants in the 1990s.

Although small-scale production had the potential to multiply capital, the peasants did not own the land, the main means of production could not be transferred and still could not be transferred as freely as capital. Therefore, the rural contract system could only serve as a forerunner and demonstration of the restoration of the power of capital, and could also provide capital with free labour and markets, but could not become the main body of the capital movement. Therefore, the rural contract system can only be used as a pioneer and a demonstration for restoring the power of capital. It can provide a free labour force and market for capital, but cannot become the main body of the movement of capital, but rural reform is the first step in the restoration of capitalism after all, and it is of great significance to the restoration of capitalism.

At the same time as agriculture was gradually declining, individual and joint-venture enterprises in rural areas were emerging and gradually developing. After the household contract responsibility system, collective industrial and infrastructural work was no longer carried out and there was a large surplus of labour, so the surplus labour began to shift to secondary and tertiary industries and engage in a variety of businesses, resulting in the emergence of a number of professional households, groups and teams specialising in planting, breeding, transport, construction and processing.²⁶³

²⁶³ In 1984, the former Rural Development Research Centre of the State Council conducted a comprehensive and systematic survey of 37,422 farming households in 272 villages in 28 provinces, municipalities and districts across China. Among them, professional households of various types accounted for 3.5 per cent of the total. The average income of professional households was 7,408 yuan, equivalent to 6.1 times that of the average farmer. Among the professional households, there were a number of large households with an average net income of over 10,000 yuan, i.e. "10,000 yuan households", accounting for 0.56 per cent of the total number of farming households. In 1984, compared with 1983, the productive fixed assets of the average farm

At the same time, with the increase in the purchase price of agricultural products, peasants' surplus capital grew and was gradually transformed into capital. The year-end balance of peasants' savings rose from 11.7 billion yuan in 1980 to 76.6 billion yuan in 1986, and the few peasants who had the labour, capital and connections to run a variety of businesses formed "two households in one".²⁶⁴

At the end of 1984, the average "ten-thousand yuan household" owned 4,786 yuan of productive fixed assets, 58.5 per cent more than the average professional household, and 26.6 hp of mechanical power, 96 per cent more than the average professional household. In 1984 there were 59,000 new economic associations of various forms, employing 503,000 people, mostly in the form of individual shareholdings, with each association investing an average of 8,273 yuan and receiving an average business income of 31,000 yuan. According to a survey conducted by the Wenzhou Municipal Committee, in 1982 there were 200,000 professional and key households in the city, accounting for 16 per cent of the total number of rural households, and the average net income of 50 of the more prominent households was 7,150 yuan, three times higher than the city's per capita rural income. Capital began to rise rapidly in the countryside.

In order for capital to multiply, the surplus value of freely employed labour had to be extracted, which was contrary to the spirit of socialism, and as the ideology of the people and bureaucrats had not yet been completely transformed, distortion and deception became the only way. In the 1980 document No. 75 of the Central Committee of the Communist Party of China, "*Several Issues Concerning the Further Strengthening and Improvement of the Responsibility System of Agricultural Production*", it was also clearly stipulated that "hired labour was not allowed".

On May 29, 1981, "People's Daily" published the article "*A Controversy About Contracting Fish Ponds*", introducing the situation of Chen Zhixiong's contracting collective fish ponds and hiring workers. The discussion lasted for three months, and the last article contained a summary. The article "*Further Emancipating the Mind and Energizing the Economy*" argued that it was possible to hire workers, and that hiring workers was not considered exploitation, because the hired worker's "income is higher than others, mainly because he works more and earns more, which is beyond reproach".

Lin Zili, an economist in the Policy Research Office of the Central Secretariat, by distorting an example from Marx's *Capital*, introduced the conclusion that "less than eight people is called hiring helpers, more than eight people is called hired labour, and less than eight people is not considered exploitation."²⁶⁵ As a result, the Central Committee issued a document at the time stipulating that

household increased by 23.6 per cent, those of professional households by 51 per cent and those of "ten thousand yuan" by 62 per cent. These farmers with higher incomes also employ more workers. Those with a net household income of RMB 6,000-9,000 only accounted for 3 per cent of the total number of households surveyed, while the number of long-term workers employed accounted for 50 per cent. Quoted in Cao Jianshan, "*The historical process of reform and opening up*".

²⁶⁴ i.e. professional households, key households and new economic consortia.

²⁶⁵ Lin Zili believed that Marx drew the line between "small proprietors" and "capitalists". According to Marx's calculations, at that time (the mid-19th century), those who employed less than eight workers and participated directly in the production process, like the workers, were "intermediate between capitalists and workers, and became small owners", while those who had more than eight workers begin to "appropriate the surplus value of the workers" and became capitalists. This is a clear distortion and misinterpretation of the classical theory that in this passage from *Capital*, Volume 1, Chapter 3, Chapter 9, "The Rate of Surplus Value and the Quantity of Surplus Value", Marx essentially states that in order to sustain the movement of capital increase, it is necessary to have a minimum amount of value, and that the minimum amount of variable capital is "the cost price of a labour force used day by day throughout the year to obtain surplus value". For this reason, Marx gave an example: If the working day is 12 hours, with 8 hours of necessary labour and 4 hours of surplus

for professional family households and self-employed households, the number of hired workers could not exceed eight, and that restrictions would be imposed if there were more than eight. It should not be advocated, should not be publicly publicised, and should not be hastily outlawed."

In this way, the countryside embarked on a path of full capitalism, opening up an era of small-scale production in agriculture and providing the basis for the development of a capitalist market economy, while the first Chinese capitalists and wage workers emerged from the countryside, which became a precursor to the resurgence of capitalism in China.

3. The emergence of urban capitalism

Compared to rural reforms, urban reforms were more cautious. The first was the reform of industrial enterprises and distribution. In January 1979, Sichuan, as a pilot, formulated 14 pilot measures, including the possibility of market-oriented production after the completion of the plan; the possibility of retaining profits and withdrawing enterprise funds after the completion of the plan; the possibility of promoting middle-level cadres by themselves; and the possibility of selling products not purchased by the distribution department and new products of their own. These measures introduced market factors into the state enterprises, which became partly profit-oriented and, together with the expansion of bureaucratic power, made them increasingly capitalist in character. This was a breakthrough, although the self-selling part required state pricing, because a market for products and raw materials emerged, providing the conditions for the capitalisation of state enterprises and the emergence of commercial capital and private capital.

Despite the fact that decentralisation was detrimental to the interests of local government bureaucrats, resistance was overcome. After the conclusion of the central economic work conference in April 1979, reform in Sichuan began to move to a national scale. On 13 July 1979, the state council issued five documents that provided for the expansion of the autonomy of state industrial enterprises in terms of operation and management, the introduction of a tax on fixed assets in state industrial enterprises, an increase in the depreciation rate of fixed assets in state industrial enterprises and an improvement in depreciation charges, the introduction of full working capital credit for state industrial enterprises, and the introduction of a profit retention scheme for state enterprises. The specific measures for full credit of funds and the implementation of profit retention by state-owned enterprises were required to be implemented on a trial basis in a small number of enterprises.²⁶⁶ Taxation and lending are also elements of capitalism, which attempts to control enterprises by means of capitalist taxation and finance, rather than by means of unified planning. In this way, capital and the market have gradually become the dominant factors in the production of state-owned enterprises.

labour, the capitalist can only live as well as the worker when he employs two workers and can only make ends meet without acquiring additional means of production; in order for the capitalist to live twice as well as the worker and to convert half of the surplus value produced into capital, he would have to increase the minimum amount of prepaid capital to eight times the amount he would have employed if he had employed one person, and would need to employ at least eight people. Through this example, Marx shows that not any size of value can become capital, and that if the value is too small to employ a certain number of workers, then even simple reproduction cannot be maintained. Marx never said that it took more than eight people to begin to 'appropriate the surplus value of the workers', but that without a sufficient amount of value and without employing a certain number of workers, even the appropriation of their surplus value could not sustain the expansion of capital.

²⁶⁶ Zheng Shao and He Xiaoxing, eds, *A Chronology of 20 Years of China's Economic Reform*, Shanghai: Shanghai Dictionary Press, p. 10.

By the end of 1979, the number of pilot enterprises had expanded to 4,200, and in June 1980 it grew to 6,600, accounting for about 16 per cent of the number of industrial enterprises in the national budget, but the output value and profits accounted for about 60 per cent and 70 per cent respectively.²⁶⁷ On 2 September 1980, the State Council transmitted to the State Economic Affairs Commission the *Report on the Pilot Work of Expanding the Autonomy of Enterprises and Future Opinions*, which spread the expansion of autonomy among state-owned enterprises.²⁶⁸

At the same time, in order to establish capitalist circulation, the "three more, one less" commercial reform was carried out²⁶⁹ to reduce the role of directive planning in the areas of production, distribution and exchange and to promote the flourishing of the domestic capitalist market. In the area of production materials, a large number of production material malls were opened in large and medium-sized cities after 1979, where trading activities were not restricted by administrative regions or departments, or by the nature of ownership of enterprises, and could be freely purchased. This was conducive to the capitalisation of state-owned enterprises and provided the conditions for the development of private enterprises.

The second aspect of reform was foreign trade:

"First, initially reform the division of labour in foreign trade commodities, grant some regions and departments the right to import and export certain commodities, and open up new foreign trade channels... Second, organize various forms of pilot projects for the integration of industry and trade... Third, the implementation of internal settlement prices for foreign trade export receipts and the increase in the proportion of local foreign exchange retained for export.... Fourth, to adapt to the situation of multi-channel foreign trade operations, a number of coordinated management methods have been formulated."²⁷⁰

On 15 July 1979, the Central Committee of the Communist Party of China and the State Council decided to adopt special policies and flexible measures for Guangdong and Fujian provinces, allowing them to arrange and operate their own foreign trade respectively, and to set up provincial foreign trade companies to undertake import and export operations at their ports. In May 1980, four special economic zones were approved for establishment in Shenzhen, Zhuhai, Shantou and Xiamen, which were given special tariff preferences, operated foreign trade on their own and could act as agents for the import and export business of various places not uniformly operated by the Ministry of Foreign Trade and approved by the provinces, cities and autonomous regions.²⁷¹

Such reforms in fact mainly strengthened the links between the domestic market and the international capitalist market, in preparation for China's future integration into the international capitalist market. At the same time, international capitalism promoted the restoration of capitalism in China.

²⁶⁷ Xiao Donglian, *The Evolution of China's Economic Reform Ideas 1978-1984 - Decision Making and Implementation*, in *Studies in Contemporary Chinese History*, no. 5, 2004.

²⁶⁸ Zheng Shao and He Xiaoxing, eds, *A Chronology of 20 Years of China's Economic Reform*, Shanghai: Shanghai Dictionary Press, p. 30.

²⁶⁹ In 1981, in view of the overly homogeneous nature of China's commodity distribution channels, some people put forward the view that "multiple circulation channels are imperative", "in order to reform the shortcomings of China's commodity circulation system, such as excessive unity and excessive control, multiple channels should be implemented. Various economic components, multiple distribution channels, multiple economic methods, and a business system that reduces intermediate links in circulation."

²⁷⁰ Gu Mu, *Memoirs of Gu Mu*, Beijing: Central Literature Publishing House. pp. 319-320.

²⁷¹ Gu Mu, *Memoirs of Gu Mu*, Beijing: Central Literature Publishing House. p. 330.

The third area is fiscal reform. On 1 February 1980, the State Council issued the *Circular on the Implementation of the Financial Management System of "Dividing Revenue and Expenditure and Making Hierarchical Contributions"*, which stated that

"The basis of local financial income and expenditure shall be determined in accordance with the prescribed scope of income and expenditure and on the basis of the projected implementation of financial income and expenditure in 1979. In areas where local income exceeds expenditure, the excess shall be paid in a certain proportion; in areas where expenditure exceeds income, a certain proportion of the shortfall shall be set aside from the industrial and commercial tax. In some areas, if all the industrial and commercial tax is left to the localities, the shortfall will be subsidised by the central government if the revenue is still less than the expenditure. After the reform of the financial management system, the central enterprises and ministries in charge of industry and commerce are no longer responsible for arranging expenditures for the side businesses that should be arranged by localities, nor are they allocated financial expenditure targets to localities."²⁷²

The fiscal reforms gave local governments greater financial autonomy, allowing them to gain the support of local government bureaucrats in promoting capitalist restoration on the one hand, and to give full play to local bureaucrats' motivation to promote economic investment in order to develop capitalism more rapidly on the other, thus giving local bureaucrats an element of bureaucratic capital.

The expansion of bureaucratic power was accompanied by the wage-labourisation of the working class. As a result of the reinforcement of discipline and obedience, the restoration of the one-man system and material incentives, which began after Hua Guofeng came to power, there was resistance from the old workers. Many enterprises also set up collective enterprises, which had the effect of destabilising workers.

In 1980, the scope of the system of contracting and distribution was reduced, and the employment policy of combining the introduction of employment by the labour department, voluntary organisation and self-employment under the co-ordination and guidance of the government was introduced, and the principle of open recruitment was adopted on the basis of merit. This was the beginning of the transformation of workers into hired labourers and the gradual theft of workers' enterprises by bureaucrats.

During the "devolution of power and profit" phase, workers' economic incomes rose continuously and at a faster rate. The average annual increase in wages for workers in state-owned units was 4.4 per cent before the reform and opening up, and 6.3 times higher in real terms at the beginning of the reform and opening up.²⁷³ This immediate benefit led the proletariat to forgo long-term benefits, and, like the peasants, this short-lived immediate benefit was achieved under irreducible conditions and therefore did not last long, and was offset by rising prices.

With the restoration of the one-man system, the workers lost their democratic rights and the management gradually lost control of the situation; the 1982 national survey on the situation of workers showed that some leading cadres arranged better jobs for their children through improper means, and gave special care to themselves, their children and relatives in areas of public interest such as promotion, ranking and housing allocation. The factory directors are appointed and

²⁷² *The Economic Management of Contemporary China*, edited by the Editorial Board: A Chronology of Economic Management in the People's Republic of China, Beijing: China Economic Press, p. 377.

²⁷³ See the National Statistical Yearbook for data.

delegated by the higher-ups and are under a system of responsibility. They said: "Workers only do their duty as masters, they have no rights as masters, masters bear the risks, if the enterprise is not run well, they will not receive their salaries, public servants have insurance, and if the enterprise collapses, they will still become officials or be transferred out of the business." The relationship between the cadres and the workers in the enterprises became strained, and it became an open secret that the workers used neglect of work to deal with the cadres.²⁷⁴

Thus, the reform of the enterprises mobilised the bourgeoisie, not the workers. The enthusiasm of the workers during the Cultural Revolution was lost in the reform of the enterprises, and this is what came to be known as the poor motivation of the workers in the state-owned enterprises. But it was not that all workers in state-owned enterprises were poorly motivated, it is that workers are poorly motivated in capitalist-style state-owned enterprises where the factory managers are bureaucratic and take more than they can afford. After all, you can't make us learn from Lei Feng by following the example of He Yan. (*Lei Feng was a model of Communist ethical and ideological commitment and behaviour; He Yan was a corrupt official under Ming Emperor Qianlong who accumulated a massive fortune – Trans.*)

4. The establishment of the bourgeois dictatorship

The economic reforms had to be accompanied by a bourgeois dictatorship to ensure that the capitalist restoration went ahead smoothly. In this period, in addition to giving workers short-lived immediate benefits and combating their political representation, the dictatorship of the bourgeoisie was established. On 6 December 1979, the Beijing Revolutionary Committee issued a circular announcing that registration at designated places was required for the posting of large-character posters, which were forbidden on the Xidan wall and elsewhere. (*The Xidan Wall, also known as Democracy Wall, was a section of wall in Western Beijing where, from November 1978 to December 1979, citizens posted large numbers of big-character posters. Most were originally critical of Mao Zedong and the Gang of Four, but when some started going further and criticising Deng Xiaoping and the Communist Party, it was declared illegal and closed down - Trans.*)

On 10 September 1980, the Third Session of the Fifth National People's Congress adopted the *Resolution on Amending Article 45 of the Constitution of the People's Republic of China*, deciding against the provision that "there is the right to 'speak out freely, air views fully, hold great debates, and write big-character posters'". The new Constitution of 1982 further abolished the freedom to strike. In this way, the proletariat was deprived of its democratic rights and the restoration of capitalism was politically guaranteed to go uninterrupted.

At the same time, the huge militias established during the socialist period, especially during the Cultural Revolution, were a great threat to the bureaucrats. Since the restoration of capitalism required the establishment of a bourgeois bureaucracy, the militia had to be abolished and a strong standing army retained as a violent machine to suppress the proletariat.

Since 1980, the scope of the formation of militias has been narrowed. Originally, people's communes, factories, mines, government agencies, schools, streets, enterprises and public institutions all had to form militias, but now they are only formed in people's communes, factories and mines and other enterprises and institutions. In 1981, the State Council and the Central Military Commission implemented the spirit of the *Circular on Strengthening the Management of Militia Weapons and Preventing the Theft of Guns and Ammunition*, and improved the management method by taking communes, factories and mines as units. By the end of 1982, the total number of

²⁷⁴ Feng Tongqing: *'The Controversy around Working Class Theory and the Condition of the Working Class'*

militia in the country had been maintained at around 100 million, a reduction of 60 per cent from the original figure.

In this way the dictatorship of the bourgeoisie, and the corresponding bureaucracy, was established. This ensured that the capitalist restoration could proceed smoothly and without any real resistance.

2. Economic restructuring and the removal of spiritual pollution

1. The struggle between the liberals and the bureaucracy

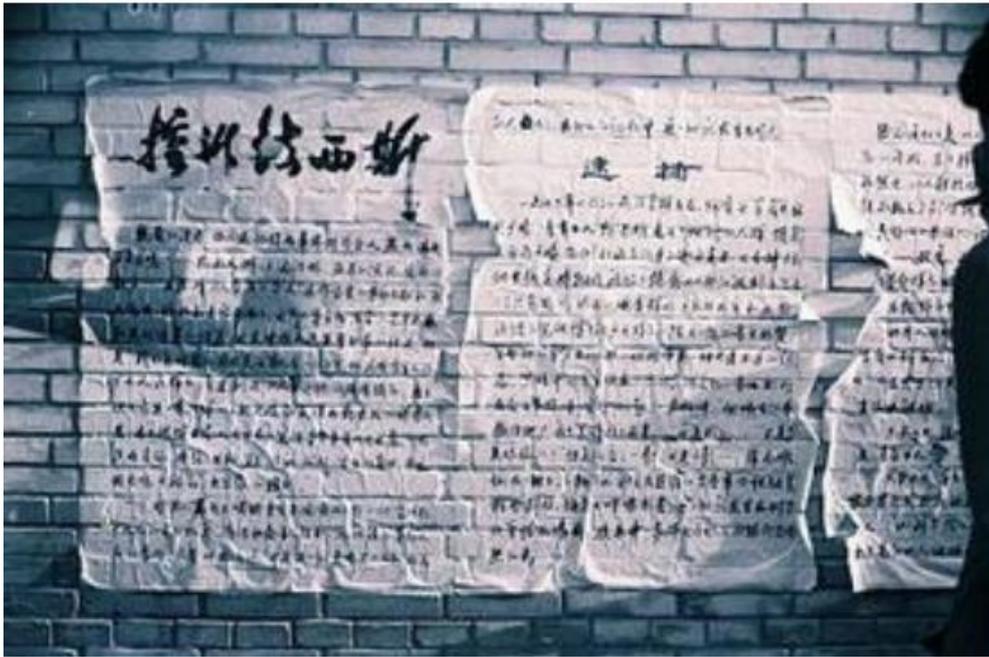
In the stage of "delegating power and allowing profits", the bureaucrats did not want to move to a completely capitalist market economy because they had not yet established the means to control society in a market economy, and thus moving to a market economy could result in the loss of their ability to control the economy and thus the economic basis for their rule, resulting in a loss of bureaucratic power. The dominant economic view at this time was therefore the 'birdcage economy' represented by Chen Yun, i.e. a market under planned control. The bureaucrats used planning to manage the economy so that they could control the whole country and gain maximum profit.

The ideological and political representatives of private capital, on the other hand, did not share this view; they were liberal and wanted to reach a Western-style capitalist society in one step, and therefore had a more radical programme of economic and political reforms than the bureaucratic groups.

The first was a one-step programme to achieve a capitalist market economy, and in August 1980 the Economic Research Centre of the State Council was established, with Xue Muxiao as director-general and Wu Jinglian and others as researchers. This was an advisory body with significant influence at the decision-making level, and its key personnel participated in many important political meetings, while bureaucrats consulted them in the formulation of reform strategies. They were the political and ideological representatives of private capital.

At a meeting of the first secretaries of the provinces, municipalities and autonomous regions on 8 September 1980, this research centre put forward ten general ideas, including the independence of enterprises from the Party and government agencies, the transformation of the product distribution system into an open commodity market, the change from directive planning to mainly guiding planning. The system of factory directors under the leadership of the Party Committee was replaced by a system of factory directors under the leadership of the Labour Council. This was in effect a desire to establish a capitalist market economy quickly, with the possibility of bureaucrats losing economic leadership, so this was rejected by the bureaucrats at the time.

Then there was the political scheme of bourgeois democracy. In early 1979 there was a rise in socially liberal activities, with large posters on the Xidan democratic wall calling the dictatorship of the proletariat "a feudal monarchy in the guise of socialism" and calling for "no more trust in the 'stability and unity' of dictators". The Shanghai "Democracy Seminar" was a fight against the dictatorship, and had slogans attacking the dictatorship of the proletariat as "the root of all evil" and calling for "resolute criticism of the Chinese Communist Party". This meant breaking the bureaucratic dictatorship and establishing bourgeois democracy, which was of course opposed by the bureaucrats. In fact, both the bureaucrats and the pro-democracy activists were engaged in capitalism, except that the bureaucrats wanted to monopolise power and gain supreme benefits in capitalism, but the pro-democracy activists wanted to realise formal democracy.



The bourgeoisie, by making freedom, democracy and equality their banners, were in fact presenting their own interests as the interests of all. Their democracy was in fact the democracy of the bourgeoisie, which, through representation and elections, made the government the agent of the bourgeoisie; their freedom was in fact the freedom of speech and trade of the bourgeoisie, a freedom that did not allow the voice of the proletariat to exist; their equality was the equality of all before money, but the proletariat had no capital, they were only slaves of capital, and there was no way to talk about equality. These political demands were the demands of private capital outside the system and could not be agreed to by bureaucratic capital, which wanted to capture the larger interests.

In line with these social activities, bourgeois intellectuals also became active at the theoretical discussions, saying many things that denied the socialist system, the dictatorship of the proletariat, the leadership of the Communist Party and Mao Zedong Thought. Others took the words of these internal discussions, which were fiercely critical of the Communist Party, to Hong Kong for publication. There were even discussion groups that fully affirmed the Xidan Democracy Wall and wanted the Central Government to do the same. Faced with such attacks, Deng Xiaoping struck back on 30 March 1979, just before the conclusion of the theoretical discussion, with a speech entitled "*Adherence to the Four Cardinal Principles*".

"The Central Committee believes that if we are to achieve the four modernisations in China, we must adhere to the four cardinal principles in ideology and politics. This is the fundamental prerequisite for realising the four modernisations. These four are: first, we must adhere to the socialist road; second, we must adhere to the dictatorship of the proletariat; third, we must adhere to the leadership of the Communist Party; and fourth, we must adhere to Marxism-Leninism and Mao Zedong Thought."

In effect it was an affirmation that in China the dictatorship of the bureaucracy must be maintained and that the private bourgeoisie should not try to share power politically with the bureaucrats. Although it followed the rhetoric of the socialist period, it was only a stop-gap measure.

On 25 October 1980, Liao Gelong of the Policy Research Office of the Central Committee of the Communist Party of China presented his self-proclaimed 'Geng Shen Reform' programme at a

seminar on party history in the national party school system, calling for amendments to the constitution, the independence of the judiciary, the peasant associations and the press, the separation of powers and checks and balances in the central leadership, and the abolition of the Politburo. Naturally, these were rejected by the bureaucrats.

It can be seen that although the "decentralisation" phase was jointly supported by the bourgeoisie, there was a distinction between bureaucratic capitalism and formal democratic capitalism, which was in fact a class struggle between bureaucratic capital and private capital. They had both struggles and common interests, because what both factions had in common was that they both represented the interests of the bourgeoisie and none of them represented the interests of the masses. The bureaucratic groups had not yet explored a way to ensure the maximum interests of the bureaucrats while restoring capitalism, which made the restoration process in the 1980s inevitably a patchy one.

2. Economic overheating and adjustment

It was in the second half of 1980, when the liberals proposed a more radical restoration than the bureaucrats, that the economic situation changed in a way that was not conducive to the establishment of a capitalist market economy. The "devolution of power and profit" led to a simultaneous increase in consumption and investment; local and corporate bureaucrats began to invest wildly for the sake of performance and on the basis of greater power; at the same time, more of the treasury remained at the local level rather than being handed over to the central government, which led to huge deficits; the banks issued too much money and thus the credit of the currency fell, and inflation began to appear in society.

"Delegating power and allowing profits" was a big step, but not enough for an adjustment step. "In 1979, infrastructure investment was adjusted from 45.7 billion yuan to 36 billion yuan, plus foreign loans totalling 40 billion yuan; in 1980, infrastructure investment was 53.9 billion yuan, far exceeding the plan. The result was a huge fiscal deficit, over 17 billion in 1979 and over 12 billion in 1980.²⁷⁵ This was 10 billion more than the sum of the deficits of the previous 29 years after the founding of the state.²⁷⁶ It was on the verge of an economic crisis. The cost of the restoration, in the form of fiscal deficits, was spread to the working masses in the form of inflation, with commodity prices rising by 6 per cent in 1980, 8.1 per cent in the cities and 4.4 per cent in the countryside.²⁷⁷

The bureaucrats, all of whom had experienced the hyperinflation of the Republican era, were highly alert to it and acted to adjust the economy while targeting the liberals and preparing to temporarily control the pace of reform in order to avoid losing power. Chen Yun said in November 1980: "If the economic work is not done well, and the propaganda work is not done well, the ship will capsize."²⁷⁸

At the Central Working Conference in December 1980, Chen Yun delivered a speech on "The Economic Situation and Lessons Learned", pointing out that:

"Apart from a few commodities for which price increases are forbidden by state regulations, many commodities are increasing in price, and the extent of such increases is quite large, affecting the people's livelihood. If this price hike is not stopped, the people will be very

²⁷⁵ Liu Guoguang, ed: *Study on China's Ten Five-Year Plans*, Beijing: People's Publishing House. pp. 407, 410

²⁷⁶ Wang Shaoguang, *The Bottom Line of Decentralisation*, Beijing: China Planning Press, p. 40.

²⁷⁷ National Statistical Yearbook (1981).

²⁷⁸ Zhu Jiamu, ed: *The Chronicle of Chen Yun*, Beijing: Central Literature Publishing House. p. 262.

dissatisfied. The instability of the economic situation can lead to the instability of the political situation."²⁷⁹

Deng Xiaoping summarised the situation by proposing that, on the whole, "further economic adjustments should be made and further political stability achieved", that the pilot scheme to expand the autonomy of enterprises "should not be expanded next year, but should focus on summing up experience and consolidating and improving", that "a high degree of centralisation and unity in the adjustment of the relationship between the central government and localities and enterprises is entirely necessary", and that "more detailed decrees should be laid down to prevent misinterpretation and abuse of autonomy", and that on the issue of special zones, "the steps and methods should be subject to adjustment, and the pace can be slower".²⁸⁰

In 1981, in order to achieve fiscal and credit equilibrium, a number of measures were taken to forcibly stabilise prices, including the conversion of enterprises into loans, the imposition of maximum prices on commodities, the centralisation of currency issuance and the reduction of infrastructure. The conversion of loans and allocations was aimed at limiting the fiscal deficit and at the same time preparing state-owned enterprises for further capitalisation, as the conversion of loans and allocations was in fact a capitalist form of economic control, which also laid the groundwork for the subsequent bankruptcy of a large number of state-owned enterprises.

In April 1981, the Research Office of the Secretariat of the Central Committee of the Communist Party of China compiled a document which disagreed that the socialist economy was a commodity economy. From the second quarter of 1981, some began to openly criticise this view, pointing out that in theory the commodity principle was incompatible with the socialist system, and in practice the excessive weakening of command planning and the promotion of directive planning and market regulation had impacted on the national economic adjustment programme of 1979-1980.²⁸¹

When discussing the draft Report on the Work of the Government at the enlarged meeting of the Politburo on 25 November 1981, Chen Yun proposed that "the relationship between planned economy and market regulation is one of primary and subordinate aspects" and that "under present conditions, the prices of a considerable number of products cannot but deviate from their values".²⁸²

On 22 December 1981, Chen Yun, speaking at a seminar of the first secretaries of provinces, cities and autonomous regions, pointed out that "the agricultural economy must also be based on planned economy, supplemented by market regulation"; that "the peasant must not be given the freedom to choose methods that are only temporarily beneficial to him... ...the so-called freedom of 800 million peasants would overwhelm the national plan"; "there can only be these few special economic zones, not more" and "the first task is to sum up the experience"; "Nation-building must be a national effort, according to plan".²⁸³

On the first day of the New Year in 1982, Chen Yun spoke to the head of the Planning Commission, telling them "how to insist on a planned economy as the mainstay and market regulation as a supplement" and giving them a pep talk. On 1 September 1982, the Twelfth Congress of the Communist Party of China once again emphasised that "planning should be the mainstay and market

²⁷⁹ Chen Yun: *Selected Writings of Chen Yun (vol. 3)*, Beijing: People's Publishing House, pp. 277-278

²⁸⁰ *Selected Important Documents since the Third Plenary Session of the Central Committee of the Communist Party of China*, Beijing: People's Publishing House. 648, 636

²⁸¹ Xue Muqiao: *Memoirs of Xue Muqiao*, Tianjin: Tianjin People's Publishing House, p. 376.

²⁸² Zhu Jiamu, ed: *The Chronicle of Chen Yun*, Beijing: Central Literature Publishing House, pp. 282-283.

²⁸³ Chen Yun: *Selected Writings of Chen Yun (vol. 3)*, Beijing: People's Publishing House. pp. 305-307.

regulation should be supplementary.²⁸⁴ Numerous articles were published in newspapers and academic journals to clarify the socialist nature of the planned economy and criticize the reform ideas of the commodity economy.²⁸⁵

By now, the restoration of capitalism had returned to the framework of a planned economy, with the appropriate introduction of market factors to improve the planned economy. In fact, apart from the liberal wing of the Party, which represented the private bourgeoisie, the bureaucratic group also gradually split into two factions: one was the "birdcage economy", represented by Chen Yun, which meant that planning was the mainstay and commodities were secondary, but they did not want to build a socialist economy, they actually wanted to use this method to safeguard the interests of the bureaucracy, but when there were serious economic problems, they would show the appearance of turning left; the other faction is represented by the Deng Xiaoping market economists who wanted the bureaucracy to control society through political power and market economic means, so they advocated reforms, but they would not agree with the idea of democratisation of private capital, and they would stop promoting reforms and turn to adjustment when the economy was in crisis. But they would not criticise the commodity economy, which was the difference between them and the "birdcage economists" during this period. By the end of the Cultural Revolution, the unified capitalists no longer existed, and they went their separate ways on how capitalism could be restored.

Alongside the tightening of the programme, the bureaucrats waged an all-out economic struggle against bourgeois liberalisation through a crackdown on smuggling. At the beginning of the reform and opening up, the price difference between the domestic and foreign markets was so great that smuggling was extremely lucrative. In Guangdong and Fujian provinces, smuggling activities were so widespread that workers did not go to work, farmland was not cultivated, fishermen did not fish, and students did not attend classes, but went to smuggling for profit. Some local leaders believed that smuggling was conducive to economic development, market prosperity and the enrichment of the masses, and not only did they not stop it, but also encouraged it.²⁸⁶

On 5 January 1982, the Central Commission for Discipline Inspection (CCDI) sent a letter entitled "*Rampant smuggling activities in some areas of Guangdong*" to Chen Yun. Chen Yun instructed that "for serious economic criminals, I advocate that a few should be severely punished, sentenced to imprisonment, or even killed, and that this should be reported in the newspapers, otherwise the Party style will not be rectified", and later forwarded it to Hu Yaobang, Deng Xiaoping, Zhao Ziyang and Li Xiannian, all of whom agreed. On 11 January, the Secretariat of the CPC Central Committee met to follow up and issued an urgent notice.

The campaign lasted for more than a year and, in addition to tackling genuine smuggling, practices that went beyond what was explicitly stated, such as the market-based handling of retained foreign currency and trading activities in trade negotiations, were also dealt with as speculation and embezzlement.

3. "Cleansing Spiritual Pollution"

²⁸⁴ *Selected Important Documents from the Thirty Years of Reform and Opening Up*, edited by the Literature Research Office of the Central Committee of the Communist Party of China, Beijing: Central Literature Publishing House. p. 271.

²⁸⁵ Wei Liqun and Han Zhiguo, "*The debate on the reform of the planning system*", Beijing: Guangming Daily Press.

²⁸⁶ Gu Mu: *Memoirs of Gu Mu*, Beijing: Central Literature Publishing House, p. 334

In addition to economic restructuring, the bureaucrats also fought against the liberals politically and ideologically in order to achieve a more secure and comprehensive control over the direction of social development. This process was known as “cleansing spiritual pollution”.

The liberals were very active in the 'ideological sphere', and a series of attacks on bureaucrats and propaganda for formal democracy emerged, which the bureaucrats could not tolerate. The trigger for "clearing spiritual pollution" was the discussion of humanitarianism and alienation. On 7 March 1983, Zhou Yang (*left, below – Trans.*) gave a speech entitled "*Discussions on Several Theoretical Problems of Marxism*" at an academic conference to commemorate the centenary of Marx's death, in which he talked about alienation in the economic, political and ideological spheres of socialism.



"Alienation can only be overcome by recognising that there is alienation. Naturally, alienation in socialism is fundamentally different from alienation in capitalism, and we are perfectly capable of overcoming alienation through the socialist system itself. The source of alienation does not lie in the socialist system, but in our institutions and other aspects."²⁸⁷

This was essentially an attack on the economic, political and ideological system of China under bureaucratic control, which naturally provoked opposition from the bureaucrats. What hit the bottom was the publication of Zhou Yang's speech in the People's Daily on 16 March 1983, despite the advice of the Central Propaganda Department not to publish it, thus provoking a full-scale bureaucratic backlash.

On October 12, 1983, Deng Xiaoping delivered a speech titled "The Party's Urgent Tasks on the Organizational and Ideological Fronts" at the Second Plenary Session of the Twelfth Central Committee of the Communist Party of China.²⁸⁸ Wang Zhen, Deng Liqun and others then actively carried out propaganda and organised themselves in an attempt to clear the ideological field of attacks on bureaucrats and to establish the bureaucrats' orthodox status. Zhou Yang and other figures publicly reviewed the situation in the form of a question-and-answer session in the People's Daily.

Through the "cleansing of spiritual pollution" campaign in various places, liberalised voices were suppressed across the board. The newspapers and society were very vocal, some old comrades

²⁸⁷ *Essays on Humanism and Alienation*, p. 106.

²⁸⁸ Deng Xiaoping: *Selected Writings of Deng Xiaoping (vol. 3)*, Beijing: People's Publishing House. p. 36.

made sharp and harsh statements, and the atmosphere was tense in the literary and theoretical circles and in society at large.

All in all, in the midst of the critical economic situation, the bureaucrats unified their internal views and, while adjusting the economy, carried out a comprehensive crackdown on liberal ideas and further took control of the regime.

3. Establishment of the "commodity economy"

1. The return to normalcy and the development of the non-state economy

After economic adjustment, the fiscal deficit was reduced from 12.75 billion in 1980 to 2.55 billion and fiscal balance was basically achieved, but economic growth fell to 4.1 per cent. 1982 saw a continuation of the adjustment, with a fiscal deficit of 2.9 billion, fiscal balance and economic growth accelerating to 8.7 per cent. 1983 saw economic growth of 10.2 per cent and inflation of only 1.5 per cent.

At the same time, the non-state economy, and in particular the private economy, grew enormously. From 1978 to 1984 there was a huge increase in agricultural production which, although we have said that it was not fundamentally related to the reforms and did not last, at least at the time, provided legitimacy for the restoration. This made criticism of the reforms less justifiable and the "birdcage economists" began to turn to further reforms of the commodity economy.

The commune enterprises, together with the "professional households" that emerged after the reform, became what became the township enterprises. Since the beginning of the reform and opening up, they had been run in a capitalist manner, buying raw materials and labour and selling their products in accordance with the market economy, and only resorting to the administrative power of the commune government as their owner for loans and approvals.

Compared to the state-owned economy, collective enterprises were poorly equipped and technologically backward, but they were not subject to planning restrictions and could produce products with strong market demand on their own, and they made huge profits from counterfeiting, cutting corners, speculating and buying connections with money. The development of the industry exceeded the average speed of national economic development.

The collective and individual economy in towns and cities had also grown enormously. On the one hand, the return of a large number of young people to the towns created a huge social problem in terms of employment, while on the other hand, the social needs of catering, retail, transport and various services were not being met. This led to the development of collective and individual economies in the towns.

The development of non-state enterprises, especially private enterprises, both proved the legitimacy of the reform and opening up and called for a further resurgence of capitalism. As the economic situation improved, the bureaucrats began to actively promote further restoration.

2. Deng Xiaoping's Southern Tour

On the evening of 22 January 1984, Deng Xiaoping left Beijing on a special train to visit Shenzhen, Zhuhai, Xiamen Special Economic Zone and Shanghai, and on 24 February he spoke of opening up more cities to the outside world. On 1 February he inscribed for the Shenzhen Special Administrative Region: "The development and experience of Shenzhen have proved that our policy of establishing

special economic zones is correct."²⁸⁹ By affirming the development of the special economic zones, he actually hoped to provide legitimacy for further restoration, thus bringing the mainland system closer to the zones, i.e. establishing capitalism.



At the same time, he hoped to stop "cleansing spiritual pollution" in order to further advance the commodity economy. In a conversation with Bo Yibo on 28 February, he said, "The previous period of cleansing spiritual pollution was completely necessary, and it seems to have subdued the momentum of some people in the literary and ideological circles. As I said, they were actually engaging in liberalisation, and now it will do."²⁹⁰

Before that, of course, the liberal wing of the party was also active, hoping to narrow the scope of the crackdown of "cleansing spiritual pollution" in order to preserve its strength. At the end of December 1983, Hu Yaobang called a halt to this work throughout the country, and also disseminated his different views on the removal of spiritual pollution through some people in charge of the press, which naturally encouraged those underneath who also opposed it, thus changing the political wind. After Deng Xiaoping's instruction that the cleansing of spiritual pollution could be suspended, this trend naturally changed from tributary to mainstream.

After Deng Xiaoping returned to Beijing, he spoke with other key Party and state leaders on 24 March and pointed out that "When we establish special economic zones and implement the policy of opening up, we have a guiding ideology to be clear, that is, not to collect, but to release."²⁹¹ After making these statements, Deng Xiaoping appointed Yao Yilin and Song Ping of the "birdcage economy" faction to report the contents to Chen Yun. Chen Yun read the record of the conversation, listened to their report, and made it clear that he was in favour of Deng Xiaoping's view on expanding the opening up of the country.²⁹² At this point, the market economy faction and the

²⁸⁹ Documentary Research Office of the Central Committee of the Communist Party of China, *Deng Xiaoping's Chronology*, Beijing: Central Documentary Publishing House. pp. 956, 957.

²⁹⁰ Documentary Research Office of the Central Committee of the Communist Party of China, *Deng Xiaoping's Chronology*, Beijing: Central Documentary Publishing House. p. 965.

²⁹¹ *Selected Writings of Deng Xiaoping (vol. 2)*, Beijing: People's Publishing House. p. 446.

²⁹² Jin Chonghe and Chen Qun, eds, *Chen Yun's Biography*, Beijing: Central Literature Publishing House, pp. 1672, 1675.

"birdcage economy faction" were once again united in their views and continued to promote the restoration.

On 4 May 1984, the Central Committee of the Communist Party of China (CPC) and the State Council approved the *Minutes of the Meeting of the Municipal Councils of Some Coastal Cities* held in March and April, agreeing to further open up 14 coastal port cities, to "make the special economic zones faster and better", and to "expand the Xiamen Special Zone to the whole island and implement certain policies of a free port."²⁹³ This policy both expanded the scope of the special economic zones and gave them more favourable policies, thus setting off a new wave of opening up.

On 10 May, the State Council issued the *Provisional Regulations on Further Expanding the Autonomy of State-owned Enterprises* which expanded the autonomy of enterprises in ten areas, including planning, sales, pricing, orders, use of retained funds, disposal of fixed assets, establishment and staffing of institutions, appointment and removal of deputy factory directors and middle-level cadres, distribution, and joint operation.²⁹⁴ State-owned enterprises moved further towards capitalist enterprises. On the same day, with the consent of the State Council, the State Reform Commission issued the *Minutes of the Symposium on the Pilot Reform of the Urban Economic System*, which proposed that, in addition to the pilot cities approved by the State Council for comprehensive reform, provinces and autonomous regions that had the conditions could select one or two cities for pilot projects.²⁹⁵ The restoration formally moved from the countryside to the cities and from the local to the global level.

On 15 May 1984, Zhao Ziyang proposed in his report on the work of the government at the second session of the Sixth National People's Congress: "In the future economic work, we should focus on the two major issues of institutional reform and opening up to the outside world. In rural reform, we should further stabilise and improve the various forms of the household joint production contract responsibility system, actively develop professional households and various forms of economic associations, continue to improve the structure of agriculture, and support farmers in actively expanding commodity production. The pace of urban reform should be accelerated, starting with the resolution of the relationship between the state and the enterprises and between the enterprises and the workers, and the initial matching of the various reform measures appropriate to the present situation."²⁹⁶ On 30 June, Deng Xiaoping said, "In short, we must continue to reform internally and open up further externally."²⁹⁷ From then on, the full-scale restoration began.

3. Third Plenary Session of the Twelfth Central Committee

In May 1984, on the advice of Deng Xiaoping, the Central Committee set up a leading group to draft the document, consisting of Hu Yaobang, Zhao Ziyang, Hu Qili, Hu Qiaomu, Yao Yilin and Tian Jiyun, and began to prepare the document for the Third Plenary Session of the Twelfth Central Committee. The "birdcage economists" disagreed with the "market economists" and the "liberals" over whether to develop a commodity economy, and the bureaucrats began to disagree on how to control society. There was also a divergence of opinion between the authorities, with local and business

²⁹³ Zheng Shao and He Xiaoxing, eds, *A Chronology of 20 Years of China's Economic Reform*, Shanghai: Shanghai Dictionary Press, p. 99.

²⁹⁴ Ibid.

²⁹⁵ Ibid.

²⁹⁶ The Literature Research Office of the Central Committee of the Communist Party of China, ed: *Selected Important Documents since the Twelfth Congress*, Beijing: People's Publishing House. p. 479.

²⁹⁷ Deng Xiaoping: *Selected Writings of Deng Xiaoping (vol. 3)*, Beijing: People's Publishing House. p. 65.

representatives generally demanding reform, and the state authorities emphasising centralisation and reluctance to decentralise, reflecting their competing interests.

On 28 July, Zhao Ziyang's views on the reform of the economic system were conveyed to the drafting group, arguing that the socialist economy was a planned economy and a commodity economy, and that the two should be combined to give full play to the role of market regulation, which was in fact the "liberal" and "market economy" view. "On 29 July 1984, Hu Yaobang expressed his dissatisfaction with the drafting group and adjusted the composition of the drafting group. However, Yao Yilin, a representative of the "birdcage economy school", had some reservations, so the drafting group still held different views on the issue of commodity economy and the relationship between planning and the market during internal discussions.

At this crucial moment, liberal intellectuals also took active action, holding meetings, writing articles and sending reports, asking for a clear affirmation that the commodity economy must be fully developed, creating a social opinion that a change to a commodity economy was necessary.

On 29 August, the "liberal" Zhao Ziyang held a discussion with the drafting group and reiterated that the socialist economy was both a planned economy and a commodity economy, setting the tone for the drafting of the document. On 9 September, he wrote to Hu Yaobang, Deng Xiaoping, Li Xiannian and Chen Yun, specifically asking them for their views. In discussing the economic system, the letter argued that there were four levels of meaning: (1) China has a planned economy, not a market economy; (2) market regulation is limited to small commodities, three types of agricultural and sideline products, and the service repair industry, which plays only a supplementary role in the national economy; (3) there are two forms of planned economy, designated and directed plans, and it is time to expand directed plans and reduce command plans; (4) directive planning is carried out mainly by economic means and under the guidance of the law of value, and "the socialist economy is a planned commodity economy based on public ownership". It is also clear that the expression "planning first, the law of value second" is inappropriate.²⁹⁸ In practice, this meant establishing a commodity economy.

Deng Xiaoping, of the "market economy school", and Hu Yaobang, of the "liberal school", had no objections to such a reform idea, while Chen Yun and Li Xiannian of the "birdcage economy school", when the economic situation had improved and the legitimacy of the reform had been established, and under the pressure of the "liberals" and "market economy" school and public opinion, also turned to support further commercialisation. In fact, once the wheel of restoration starts, it is impossible to stay in a transitional state, and the "birdcage economic group" could only gradually withdraw from the stage of history. On 13 September, Chen Yun wrote back to Zhao Ziyang, "The four layers of meaning on the planned system are in line with the current situation in China. Some practices that were applied in the 1950s cannot and should not be applied now."²⁹⁹

On 20 October 1984, the Third Plenary Session of the Twelfth Central Committee adopted the *Decision of the Central Committee of the Communist Party of China on the Reform of the Economic System*, which basically established the direction of China's reform. Section IV of the Decision was entitled 'Establishing a planned system that consciously applies the law of value and developing a

²⁹⁸ Edited by the Literature Research Office of the Central Committee of the Communist Party of China: *"Selected Collection of Important Documents Since the Twelfth National Congress"*, Beijing: People's Publishing House. p. 535.

²⁹⁹ Zhu Jiamu, ed: *The Chronicle of Chen Yun*, Beijing: Central Literature Publishing House. p. 360.

socialist commodity economy', arguing that ownership, rather than the mechanism of economic operation, was the main difference between capitalism and socialism, and that a planned commodity economy should now be established.



(Deng Xiaoping at the Third Plenary Session of the Twelfth Central Committee – Trans.)

The commodity economy was a necessary condition for the operation of capital, and "the initial transformation of money into capital was in full conformity with the economic laws of commodity production and the resulting ownership."³⁰⁰ This direction of reform led to the further transformation of Chinese state-owned enterprises into capitalist enterprises and also contributed to the development of private capital in China.

Around the time of the Third Plenary Session of the Twelfth Central Committee, the government issued a series of relevant specific policies and regulations to implement the reform of the commodity economy. On 15 September 1983, the State Council approved the Ministry of Economic and Trade's *Report on the Reform of Foreign Trade*, which sought to separate government and enterprises and simplify government and decentralise power through reform.³⁰¹ On 18 September, the State Council approved the Ministry of Finance's *Trial Measures for the Second Step of Profit to Tax Conversion for State-Owned Enterprises*, which left all profits after tax as retained profits for enterprises and was implemented simultaneously by industrial and commercial enterprises.

On the same day, the State Council issued the Provisional Provisions on Reforming the Management System of the Construction Industry and Capital Construction, which fully implemented the system of responsibility for investment in construction projects.³⁰² On 14 December, the State Planning Commission and three other units issued the Provisional Provisions on Changing All Capital Construction Investments from Appropriations to Loans within the State Budget, which fully implemented the change from appropriations to loans, on a trial basis from 1 February 1985.³⁰³

These reforms gave the bureaucrats of state enterprises rights similar to those of private entrepreneurs, and began to be driven by the accumulation of capital rather than by the unified

³⁰⁰ Marx: *Capital* (vol. 1), Collected Works of Marx and Engels (vol. 5), Beijing: People's Publishing House. 641.

³⁰¹ Zheng Shao and He Xiaoxing, eds, *A Chronology of 20 Years of China's Economic Reform*, Shanghai: Shanghai Dictionary Press. p. 103.

³⁰² Ibid.

³⁰³ Ibid.

planning of the state, thus becoming essentially the same as a capitalist enterprise, but retaining state ownership in name only.

Since 1984, the reform of state-owned enterprises has been characterised by the implementation of the contractual management responsibility system, which mainly involves the implementation of the contractual management responsibility system for large and medium-sized state-owned enterprises and the lease management responsibility system for small state-owned enterprises. This reform was strongly resisted by the cadres and workers of the enterprises. State enterprises began to reform their cadre management system, establishing a normal retirement system, gradually transferring the original cadres from their posts and turning a large number of cadres into "advisors" of the enterprises, called researchers, retaining the corresponding entitlements; at the same time, a new group of "daring" and "energetic" intellectuals came on board. This laid the foundation for the further transformation of state-owned enterprises into capitalist enterprises.

Another important system supporting the contract system is the factory manager responsibility system. In May 1984, the Second Session of the Sixth National People's Congress formally announced that the system of factory directors under the leadership of the Party Committee would be replaced by a system of factory directors' responsibility. The factory manager is responsible for the following: the factory manager decides on the production plan of the enterprise; the factory manager appoints, dismisses or hires middle-level cadres; the factory manager proposes the distribution of wages, bonuses and welfare funds; the enterprise enjoys the right to recruit workers and has the right to decide on the form of employment; the factory manager can set important rules and regulations for the enterprise and can reward and punish employees, including "promotion rewards and dismissal sanctions". In September 1986, the Central Committee of the Communist Party of China (CPC) and the State Council promulgated the *Regulations on the Work of Factory Directors of Enterprises Under National Ownership* and the *Regulations on the Work of Grassroots Organisations of Enterprises Under National Ownership of the Communist Party of China*. "The factory manager is the legal representative of the enterprise, has overall responsibility for the enterprise, is in a central position and plays a central role". At this point, the enterprise bureaucrats had basically been transformed into capitalists.

The system of contractual responsibility was a form of joint division of income between the contractor and the owner, without changing the nature of ownership of the means of production. The separation of the two rights had led to the hollowing out of the ownership of the enterprise's property and the retention of only legal ownership; the factory manager had sole control over the use of the means of production, the distribution of the products, the rewards and punishments for the workers, and had acquired the supreme power to fire the workers. The freedom of capital, once it had gained the upper hand in the enterprise, inevitably developed according to the logic of obtaining the greatest surplus value and the fastest expansion, i.e. pursuing the so-called 'profit maximisation' objective. As the law made it illegal to appropriate the surplus value of state enterprises, the theft of state assets by the management and the opening of small factories by private individuals naturally emerged.

The bureaucrats had filled their own pockets by embezzling, reselling raw materials, equipment and products at low prices to their own 'small factories' and poaching skilled workers and technicians, while inevitably making the SOEs less efficient. The so-called inefficiency of SOEs was therefore due to the fact that they had followed the model of a capitalist enterprise, but were not privately owned, so how could they be efficient when bureaucrats were hollowing them out?

Simultaneous with the transformation of bureaucrats into capitalists was the transformation of workers from masters into wage-labourers. In 1984, the labour system was reformed and contract workers were recruited; on 5 January 1985, the State Council issued the Circular on Wage Reform in State-owned Enterprises, which determined that in large and medium-sized state-owned enterprises, the wages of employees would be floated in proportion to the economic efficiency of the enterprise and that the state would implement a system of graded management of wages in the enterprises. In 1986, the system of child replacement (*the recruitment of children of retired workers – Trans.*) and internal recruitment was abolished. This led to a further decline in the status of workers in state-owned enterprises. Firstly, their wages were no longer guaranteed and, in order to accumulate capital, their wages had to be reduced due to the poor performance of the enterprises.

State-owned enterprises were transforming into capitalist enterprises, while privately-owned enterprises were also developing in great strides. In 1984, the number of township enterprises jumped from 1.34 million in the previous year to 6.06 million, and the total number of employees from 32.35 million in the previous year to 52.08 million. Of the rising number of township enterprises, 80 per cent were private enterprises. Forty-one per cent of the initial capital of these private enterprises came from loans from banks and credit unions, while 37 per cent came from their own funds.³⁰⁴ Loans were often only available to those with connections, so the nonsense of making a fortune through hard work paled in comparison to reality.

In August 1983, against the backdrop of the "cleansing of spiritual pollution", the issue of "hired labour" was seen by the "birdcage economy school" as a manifestation of "spiritual pollution" in the countryside. The Decision of the Third Plenary Session of the Twelfth Central Committee made clear provisions for the active development of various economic components, especially the status and role of the collective economy and the individual economy.

On 22 October 1984, Deng Xiaoping stated clearly:

"That issue of hired labour some time ago was quite a shock, and people were very worried. My opinion is to leave it for two years and then see what happens. Can that issue affect our overall situation? If you move, the public will say that the policy has changed and people will be upset. If you solve the problem of a 'foolish melon seed', it will cause anxiety and will not be beneficial. (*This refers to a self-employed family in Wuhu City, Anhui Province, who hired workers to manage, make and sell melon seeds, called 'fool melon seeds', and became rich. - Trans.*) What are you afraid of if you let the 'fools' run the business for a while? Does it hurt socialism?"³⁰⁵

With the "liberation" of wage labour, private capital gained important conditions for proliferation and gradually prospered. On 1 March 1984, the Central Committee of the Communist Party of China and the State Council issued the *Report on Creating a New Situation for Social Team Enterprises*, which officially renamed social team enterprises as township enterprises, stating: "Township enterprises have become an important force in the national economy and an important supplement to state-run enterprises"³⁰⁶. In September 1985, the *Recommendations of the Central Committee of the Communist Party of China on the Seventh Five-Year Plan for National Economic and Social Development* stated that "the development of township enterprises is the only way to revitalise

³⁰⁴ Mu Zhirong: Chapter 2 of "*Research on the Development of China's Private Economy*"

³⁰⁵ Deng Xiaoping: *Selected Works of Deng Xiaoping (Vol. 3)*.

³⁰⁶ Compiled by the Literature Research Office of the Central Committee of the Communist Party of China: "*Selected Important Documents Since the Twelfth National Congress*". Beijing: People's Publishing House. p. 440.

China's rural economy" and that farmers should be actively "encouraged to set up township enterprises". In 1986, the State began to implement the "Spark Plan". (*This was a plan to rely on science and technology to promote rural economic development. - Trans.*) In this way, private enterprises in the countryside grew tremendously.

Major reforms were also made in the mode of economic operation. On 4 October 1984, the State Council approved the State Planning Commission's *Interim Provisions on Improving the Planning System*, proposing 12 reform measures such as reducing the scope of directive planning and expanding the scope of directive planning and full market regulation, which have been implemented on a trial basis since 1985.³⁰⁷ On September 11, 1985, the State Council transmitted to the State Economic and Reform Commission the *Interim Provisions on Certain Issues Concerning the Enhancement of the Vitality of Large and Medium-Sized State-Owned Industrial Enterprises*, proposing to appropriately reduce the scope of directive plans, give some large enterprises the right to operate directly with the outside world, and separate government and enterprises, simplify administration and decentralise power in both departments and cities.

In terms of agricultural production, before 1979, the State implemented directive plans for the sown area and total production of 25 major agricultural products; by 1985, directive plans for agricultural production were basically eliminated, and market regulations were implemented for the production of major agricultural products. In terms of industrial production, in 1978 the State Planning Commission issued directive plans for 120 types of products, which were reduced to 60 by 1988. From 1984 to 1988, the number of directive planned products for industrial production managed by the central ministries was reduced from over 1,900 to over 380. In the field of distribution, the number of materials allocated by the State Planning Commission fell from 256 in 1979 to 26 in 1985; in the commercial system, the number of products purchased and allocated by the State Planning Commission fell from 188 in 1978 to 60 in 1984 and then to 23 in 1985; in the field of import and export, the number of export products coordinated by the State Planning Commission fell from 500 in 1978 to 31 in 1985. In the field of import and export, the number of export products for which the State Planning Commission was responsible in 1978 was reduced from 500 to 31 in 1985.

In this way, the capitalist market was gradually established. From 1984 onwards there were city-based material trading centres and many specialised markets for the means of production, such as steel, while markets for the means of subsistence were formed in parallel. The expansion of the private sector economy gave impetus to the further expansion of markets for raw materials and daily necessities.³⁰⁸

In 1984, the State Council decreed that production and enterprise requirements should be divided into planned and unplanned components in order to give enterprises more autonomy, and this was the two-track system of prices that led to the birth of countless leather bag companies. (A leather bag company refers to a person or collective that has no fixed assets, no fixed place of business or fixed quota, and only carries a leather bag and engages in socio-economic activities - Trans.) By March 1989, market prices exceeded planned prices by 149 per cent for coal, 213 per cent for crude oil, 105 per cent for steel, 112 per cent for timber, 150 per cent for copper and 124 per cent for aluminium. In 1989, the share of production materials purchased by enterprises at planned prices

³⁰⁷ Liu Guoguang, ed: *Study on China's Ten Five-Year Plans*, Beijing: People's Publishing House, p. 468.

³⁰⁸ Cao Jianshan: *"The Historical Process of Reform and Opening up"*.

was about 44% in physical terms (only 28% in monetary terms), of which 45.4% were allocated to coal, 29.7% to steel, 21.7% to timber and 15.5% to cement.³⁰⁹

Immediately afterwards, a number of 'public' enterprises emerged in the cities that were different from the traditional ones. These enterprises were mainly government-run and aimed at profit-making, and were either service enterprises attached to state or collective enterprises, or they took the form of individual or private enterprises. They include those set up with the approval of the State Council, those set up by various industrial authorities, those set up by trade unions and women's federations, those set up by provincial and municipal governments, those set up by state-owned enterprises, wholesale companies set up by the military and commercial enterprises. The initial capital came mainly from bank loans, and they used the two-track price system to get their first bucket of money, which played a huge role in the price breakthrough. This is what the people hate, the "official-speculator", or bureaucratic private capital. *(These were state organs, organizations, enterprises and public institutions that violated industrial and commercial administration laws and regulations and carried out speculative activities. - Trans.)*

By 1985, there were some 320,000 companies of all kinds, most of them unstaffed, unfunded, un-equipped, short-selling, shell companies. After more than a year of consolidation, there were still 170,000 by 1986. By June 1988, the number had risen to 400,000. It was not until October 1988 that the Central Government made a decision to clean up and reorganise companies, with a focus on small "official companies", and to strictly enforce the rule that cadres of the authorities could not run businesses.

At the same time, a group of powerful people with connections also became active. The most popular was the opening of companies, and the most prevalent was the reversal of approvals, and the exchange of approvals for money made some of the people who got rich first. It is estimated that in 1988 alone, the total price difference of commodities in China exceeded 150 billion yuan, which, together with the spread on bank loans and the exchange difference on imported foreign exchange, amounted to more than 350 billion yuan, of which about 70 per cent went into private pockets and was transformed into the original accumulation of officials and businessmen.³¹⁰

Official-speculators were important to the primitive accumulation of capital since the reform and opening up. It can also be seen by what means the primitive accumulation since the reform and opening up was carried out. This is not an epic of personal struggle, but a farce of speculation.

The last important measure of restoration at this stage was to further integrate with international capitalism and continue to expand and open up. On March 18, 1985, the State Council agreed that the county towns and key satellite towns of Shanghai could enjoy the relevant policies of the fourteen open coastal cities. On September 18, Foshan Port was opened to the public.

4. "December Student Uprising"

1. Economic overheating and adjustment

With the further restoration, localities and enterprises invested anarchically in order to accumulate capital, and economic growth accelerated to the point of overheating, with the gross industrial and

³⁰⁹ The Old Price Reporter: *'From the mountain to the darkness - the emergence and end of the dual-track system of prices for industrial production materials'*, in Price Theory and Practice, No. 11, 1999.

³¹⁰ Lin Xinzhen: *'Ideas for market-based reform of the dual-track price system'*, in Development Studies, No. 4, 2005.

agricultural product increasing by 14.2 per cent and 16.4 per cent in 1984 and 1985 respectively.³¹¹ Investment and consumption grew too fast, national income was over-distributed and inflation began to reappear. The "birdcage economists" became active, hoping to return to a planned, market-driven state.

To address the problem of economic overheating, four governors' conferences were held in February, April, June and September 1985 to try to control the excessive rate of economic growth and to compress aggregate demand by reducing the scale of capital construction. Since power had been decentralised, mere verbal lobbying had little effect.

After the first meeting of provincial governors, the overheating of the economy did not change at all, and even intensified. In the first quarter of 1985, industrial output, capital investment and the price index increased by 22.9 per cent, 35 per cent and 5.6 per cent respectively over the same period of the previous year, even more than in the fourth quarter of the previous year, and foreign exchange reserves continued to fall. The second meeting of governors was held in April, hoping to unify the understanding, especially the understanding of foreign exchange, currency distribution, and economic development speed. A third meeting of governors was held in June, with emphasis on controlling the scale of capital construction. However, these two meetings still did not have the desired effect.

At the National Congress of the Party held in September, Chen Yun once again emphasised that "from the perspective of the work of the whole country, it is not outdated to say that planned economy is the mainstay and market regulation is the supplement". After the Party Congress, the Fourth Conference of Provincial Governors was held, focusing on the control of fixed asset investment. Due to the seriousness of the economic problems and the desire of the "market economy school" to temporarily shift to economic adjustment, Deng Xiaoping intervened and only then did the governors have to tighten their plans and gradually reduce the money supply.

Even so, the overheating of the economy for much of the year contributed to an 8.8% increase in the Retail Price Index. In addition, the capitalisation of SOEs resulted in a decline in overdue benefits. There were three main reasons for the decline in SOEs' efficiency. The first was the loss of ownership by workers, the loss of motivation by bureaucrats and the loss of information on production due to corruption and arbitrariness. The profits of industrial enterprises fell for 20 months in a row from August 1985 to March 1987, even causing fears of a general economic downturn. This forced the "market economy" bureaucrats to slow down the pace of restoration.

The overheated economy continued to develop until 1986, when the National Planning Conference held in Beijing on 11 January 1986 proposed the implementation of the eight-character policy of "consolidating, absorbing, supplementing and improving" for economic work in 1986. The starting point of this policy was to solve the problem of excessive investment in fixed assets and excessive growth in consumption funds, in order to alleviate the overheating of the macro economy.

To achieve this, the Planning Commission proposed four measures: effective control of self-financed investment by localities, departments and enterprises and fixed asset investment loans by banks; control of excessive growth in consumption funds; effective control of bank credit; and strengthening of centralised management of foreign exchange and foreign debt.

³¹¹ Lin Xinzheng: *Ideas for market-based reform of the dual-track price system*, in *Development Studies*, No. 4, 2005.

However, total social demand remained high in the first half of the year: the growth in fixed asset investment greatly exceeded the growth in industrial production; fiscal expenditure increased; banks lent 5.9 times as much as in the same period in 1985 for industrial enterprises; foreign exchange reserves continued to fall; and from January to May, self-financed investment grew by 25.7% nationwide. The overheating of the economy did not improve.

In the second half of 1986, the State Council took more resolute measures to reduce the momentum of the overheated economy. As a result of this series of measures, the overheated state of the economy began to ease in the second half of 1986. For 1986 as a whole, the gross value of industrial and agricultural production grew by 9.3 per cent, significantly lower than the 16.4 per cent recorded in 1985; prices rose by 6 per cent, down from 8.8 per cent the previous year.³¹²

2. "The December Student Uprising"

Of course, the "liberals" believed that the economic problems were not the result of anarchy in production, but of the failure of the political system to keep up with the reforms. The intellectual circles began to call strongly for political reform, and the "liberal" leaders supported it, creating a stormy atmosphere.

Wang Ruowang of Shanghai proposed a multi-party system. Fang Lizhi, vice-president of the University of Science and Technology of China, argued that the current system was a modern feudalist system and advocated wholesale westernisation, learning all the Western science, technology, culture, politics, economics, ideology and morality, including in our political system and ownership system, and also argued that the key to political reform was a one-party system or a multi-party system. Liu Binyan of the People's Daily argued that the current social system was in fact feudal socialism and that the way out for China lay in privatisation, in wholesale westernisation.

The bureaucratic clique of course could not agree to the demands of the liberals, and the Resolution on the Guidelines for Spiritual Civilisation, adopted at the Sixth Plenary Session of the Twelfth Central Committee, was written in opposition to bourgeois liberalisation and gained the qualified support of Deng Xiaoping. Those within the Party who supported the liberal ideology tried every possible way to limit the Party and government's counter-attack. Lu Dingyi, for example, argued against "such a concept as bourgeois liberalisation", but was then unsuccessfully met with many counter-arguments. In his final speech, Deng Xiaoping said, "I have spoken the most against bourgeois liberalisation, and I have insisted on it the most."³¹³

However, the ideological representatives of private capital, intellectuals who advocated formal democracy, began to publicise their ideas, organise themselves and take action through lectures at universities and various salons where political issues were discussed. In early December 1986, students at the University of Science and Technology of China, dissatisfied with the election of local deputies to the National People's Congress, staged a march with the encouragement and support of Vice-President Fang Lizhi, thus inaugurating the liberalisation movement known as the "December student uprising", which saw the first large-scale struggle between the bureaucracy and the liberals.

On 23 December there was a wave of students in Beijing, starting at Tsinghua University and moving on to Peking University and then to Renmin University of China. Following this demonstration, some students began to organise the Tiananmen demonstrations on New Year's Day 1987, demanding

³¹² Liu Guoguang, ed: *Study on China's Ten Five-Year Plans*, Beijing: People's Publishing House. pp. 503-504.

³¹³ Deng Xiaoping: *Selected Writings of Deng Xiaoping (vol. 3)*, Beijing: People's Publishing House. p. 181.

bourgeois formal democracy in politics which was a substantial threat to bureaucratic power; the liberal General Secretary Hu Yaobang de facto supported this development by not addressing it.



The bureaucracy began to assemble to fight back. On 30 December 1986, Deng Xiaoping spoke with Hu Yaobang, Zhao Ziyang, Wan Li, Hu Qili and Li Peng, arguing that the school wave was "the result of a lack of clarity and determination in opposing bourgeois liberalisation over the past few years" and that "opposition to bourgeois liberalisation is at least twenty years away" and that "democracy can only be developed gradually and cannot be based on Western practices". Deng Xiaoping also implicitly criticised Hu Yaobang, then General Secretary, for his ineffective opposition to bourgeois liberalisation and his lack of firmness in dealing with representative figures like Wang Ruowang.³¹⁴

After Deng Xiaoping's speech was delivered, Hu Yaobang had in fact lost his authority in the face of the party and government forces and could not continue to preside over his work; the bureaucratic-led struggle against liberalisation began to unfold across the country. On January 2, 1987, Hu Yaobang sent a letter to Deng Xiaoping, admitting his mistake and resigning. Deng Xiaoping accepted his resignation. From January 10th to 15th, the Central Advisory Committee of the Communist Party of China held a life meeting, (*Life meetings were organisational activities centred on Party life and the exchange of ideas, the summary and exchange of experience, and the development of criticism and self-criticism - Trans.*) and Hu Yaobang was severely criticised and made self-criticism. Then on January 16, the enlarged meeting of the Politburo accepted Hu Yaobang's resignation and elected Zhao Ziyang as acting general secretary.

There was also a nationwide campaign against bourgeois liberalisation. On 1 January 1987, the People's Daily's New Year's Day editorial "*Adherence to the Four Basic Principles is the fundamental guarantee for reform and opening up*" proposed that "adherence to the Four Basic Principles means opposing bourgeois liberalisation in a clear-cut manner". From 13 to 23 January, Wang Ruowang, Fang Lizhi and Liu Binyan, representatives of the ideology of private capital, were expelled from the Party in succession. Then the State Council Press and Publication Bureau was set up to regulate the publication of books and newspapers, and Zhu Houze, a liberal-leaning minister in the Propaganda Department, was replaced by Wang Nenzhi, a representative of the "birdcage economic school". The student uprising, which had lasted for more than a month and had spread to all the major cities of the country, came to an end.

³¹⁴ Deng Xiaoping: *Selected Writings of Deng Xiaoping (vol. 3)*, Beijing: People's Publishing House. pp. 194-196.

Section 3 "Price breakthrough" leads to turmoil, and private capital is in trouble

I. Restarting the restoration process

1. The "liberals" actively defended themselves

As the "market economy faction" represented by Deng Xiaoping needed to rely on the power of the "liberals" to promote the restoration, they did not want to expand the "opposition to bourgeois liberalisation", so that the establishment of a capitalist market economy was slowed down. Deng Xiaoping therefore allowed the political representatives of the "liberals", such as Zhao Ziyang, to protect the liberals. From January to April 1987, the "liberals" actively defended themselves against the "birdcage economy". The "liberals" were able to hold their ground by limiting the scope of their opposition to bourgeois liberalisation, delaying or even cancelling the treatment of liberal intellectuals and preventing important personnel changes.

On 28 January 1987, the *Circular of the Central Committee of the Communist Party of China on Several Issues Concerning the Current Opposition to Bourgeois Liberalisation* was adopted, in which Zhao Ziyang placed many restrictions on the opposition to bourgeois liberalisation. There were seven articles in the document, and except for the first one on necessity and the sixth one on propaganda, the other five were all about policy boundaries.

Article 2.

"This struggle is strictly confined to the Party and is conducted mainly in the field of political thought, focusing on fundamental political principles and political orientation not in connection with the policies of economic reform, rural policy, scientific and technical research, the exploration of literary and artistic styles and techniques, and people's everyday life. "

Article 3.

"Those who need to be publicly named and criticised in the press and given organisational treatment are only the very few Party members who openly advocate bourgeois liberalisation, who have repeatedly failed to reform and who have had great influence, and who need to be reported in advance to the Central Committee for approval after examination by the Propaganda Department."

Article 4.

"The fight against bourgeois liberalisation must be carried out in a correct way, without political campaigns."³¹⁵

In this way, the "opposition of bourgeois liberalization" was practically confined to the ideological sphere, separate from organisational handling and economic reform. On January 29, 1987, Zhao Ziyang gave a speech at the Spring Festival group gathering:

"Some comrades and friends are worried that opposing bourgeois liberalization will affect the current reform and construction? The *Communiqué of the enlarged meeting of the Political Bureau of the CPC Central Committee*" has officially announced that all policies at home and abroad in urban and rural areas will remain unchanged. Opening up remains the

³¹⁵ The Literature Research Office of the Central Committee of the Communist Party of China, Beijing: People's Publishing House, *Selected Important Documents since the Twelfth Congress (Vol 2)*. pp. 1251-1259

same, revitalizing the economy internally, and the policy of respecting knowledge and talents remains unchanged, and not only unchanged, but there will also be efforts to do better."³¹⁶

Zhao Ziyang also made a series of other speeches, using his position as General Secretary to limit the scope of his opposition to bourgeois liberalisation, effectively stalling the offensive of the "birdcage economists". In addition to the policy restrictions, the efforts of the "Birdcage Economists" to make important appointments were also partially blocked by Zhao Ziyang.

In dealing with those who had engaged in liberalisation within the Party, the specific method of implementation was for the Research Office of the Secretariat to collect materials and draw up a list of people for submission to the Central Commission for Discipline Inspection (CCDI), which would then submit its views to the Secretariat, which was chaired by the "liberal" Zhao Ziyang. Zhao Ziyang took a delaying tactic in the discussions. The meeting was held only at regular intervals, and everyone discussed the matter for a long time; in this way, the matter was closed before several people were discussed. Apart from those whom Deng Xiaoping named for expulsion, many people retained their Party membership in this way, reducing the loss of power of the liberal right.

2. The "market economy school" and the "liberal school" counter-attack

On 28 April 1987, Zhao Ziyang had a long talk with Deng Xiaoping, saying that the task of bourgeois liberalisation had largely been completed, and that anti-liberalisation arguments against reform and opening up had taken shape. It was necessary to strengthen the propaganda for the reform and opening up to create public opinion for the convening of the 13th Congress.

At this time, the "market economy bureaucrat" Deng Xiaoping, fearing a reversal in the direction of establishing a capitalist market economy, also began to oppose the "birdcage economy". He told foreign guests.

"Poverty is not socialism"; "It is not easy to correct the 'leftist' ideas of the past few decades, and we are mainly against the 'left', which has taken shape. The 'left' has formed a force of habit"; "There are not many people who oppose reform in China now, but when formulating and implementing specific policies, it is always easy to have a slight attachment to the past, and things of habit come into play and spring up. "; "We have both 'left' and right interference, but the greatest danger is still 'left'".³¹⁷

In his speech at a meeting of cadres of the School of Propaganda, Theory and Journalism on 13 May, Zhao Ziyang criticised the economic system reform for messing up the economy, the perception of contracting and leasing of enterprises as "engaging in private ownership", the failure to reform the political system, and the opening up to the outside world as the root cause of the proliferation of liberalisation. "When I reported on my work to Comrade Xiaoping a few days ago, Comrade Xiaoping said that the turmoil that occurred last year should not affect reform and opening up, and that reform and opening up should not only be maintained but also accelerated", and that "positive

³¹⁶ The Literature Research Office of the Central Committee of the Communist Party of China, edited: *Selected Important Documents since the Twelfth Congress*, Beijing: People's Publishing House. p. 1267.

³¹⁷ Deng Xiaoping: *Selected Writings of Deng Xiaoping (vol. 3)*, Beijing: People's Publishing House, pp. 223-229.

education against bourgeois liberalisation must be deepened, and socialist reform must be publicised. Both must be given equal importance and must not be neglected."³¹⁸

On 22 May 1987, the People's Daily published an editorial entitled "Reform and opening up should not only be adhered to but also accelerated", proposing that:

"The struggle against bourgeois liberalisation must be deepened and the reform of the economic system must be deepened, and these are the two main points that we must hold tightly in our current work". "Whether it's the view that if you pursue reform and opening up, you can stop paying attention to the Four Cardinal Principles, or the view that when you talk about anti-liberalization, you think that reform and opening up has been 'closed', both are equally wrong."

In this way, the views of the "birdcage economists" were suppressed and the restoration was once again launched.

3. Advancing Reform and the 13th Communist Party Congress

In the counter-offensive, economic reform began to continue to advance. In April 1987, when the Central Leading Group on Finance and Economics discussed the economic situation, the 'birdcage economists' argued that there had been a serious over-distribution of national income for three consecutive years from 1984 to 1986, with excessive currency issuance and a growing fiscal deficit. This view was in line with the reality of the time and was supported by statistical data, but Zhao Ziyang, who represented private capital, rejected it and asked: Was the current problem a problem in the middle of the past or was it an outbreak of years of mistakes? If it was a concentrated outbreak of years of mistakes, then a change of course was needed.³¹⁹

The first major reform was the full implementation of the "Contract Responsibility System". As early as 5 December 1986, the State Council issued the "*Regulations on Deepening Enterprise Reform and Increasing the Vitality of Enterprises*", proposing that "in 1987, we should make great strides in deepening enterprise reform and increasing the vitality of enterprises, especially large and medium-sized enterprises". Firstly, "to implement various forms of contractual responsibility for management and to give operators full autonomy in their operation"; secondly, "to fully implement the system of responsibility of factory directors (managers)"; thirdly, "to continue to reduce the number of directive plans issued to enterprises".

The Regulations proposed four approaches: "small enterprises under full ownership may actively try out leasing and contracting", "large and medium-sized enterprises under full ownership shall implement various forms of management responsibility", "localities may select a few large and medium-sized enterprises under full ownership with conditions to carry out a pilot shareholding system", and "some small commercial and service enterprises under full ownership may be sold at auction or with discounted shares by the competent authorities of the enterprises".

However, under the influence of the opposition to bourgeois liberalisation, this document was not fully implemented at the beginning of 1987 until 23 April 1987, when the Office of the State

³¹⁸ Compiled by the Literature Research Office of the Central Committee of the Communist Party of China: "*Selected Important Documents Since the Twelfth National Congress*" (Vol2), Beijing: People's Publishing House. Pages 1405-1409

³¹⁹ Compiled by the Literature Research Office of the Central Committee of the Communist Party of China: "*Selected Important Documents Since the Twelfth National Congress*" (Vol2), Beijing: People's Publishing House. Pages 1208-1212

Council's Economic System Reform Seminar Group put forward "*A Review of Economic System Reform and Basic Ideas for Future Reform*". It proposed four reform tasks for 1988: to further deepen the reform of the business mechanism of enterprises and to "continue to implement Document 103 of the State Council of 1986"; to reform the investment system; to further develop the commodity market and promote price reform; and to carry out pilot reform work.

However, the reforms carried out in 1988 were implemented ahead of schedule. In the first quarter of 1987, budgeted industrial costs rose by 5% year-on-year, losses increased by 40% and fiscal revenues fell by 2.3%. The State Council decided in May 1987 to extend the contracting system generally throughout the country.

The second was the further legalization of private sector employment, which was completely liberalized in 1987 when the restriction on the number of employees was removed from Central Government Document No. 5, and on 16 April 1987, Deng Xiaoping, in his speech to members of the Drafting Committee of the Basic Law of the Hong Kong Special Administrative Region, said

Now that we are talking about the issue of hiring workers in the country, I have talked to many comrades who said that it is not necessary to show that we are 'moving' on this issue and that we can look at it for a few more years. At first I said we should look at it for two years, but when the two years were up, I said we should look at it again. At present, the number of workers employed is generally only small enterprises and peasants in the countryside who have been contracted out, and the number of workers employed is very small compared to the more than 100 million workers in the country. In the big picture, this is just a small point. It is easy to move, but when you do, it seems that the policy is changing again. It is still necessary to move, because we do not want to polarise. But when to move and how to move, we need to study. It is also a matter of restraint. We have to take into account the need not to cause random unrest or even recurrence in such matters. The important thing is to encourage people to use their brains to find ways to develop our economy, to have a pioneering spirit, and not to undermine this enthusiasm, which would be detrimental to us.

The report of the 13th National Congress of the Communist Party of China put forward the term "primary stage of socialism", and decided that "first, we must concentrate our efforts on modernization construction"; "second, we must insist on comprehensive reform"; "third, we must insist on opening to the outside world"; "fourth, we must take public ownership as the main body and vigorously develop a planned commodity economy." Articles 5 and 6 dealt with democratic politics and spiritual civilization.



In the report, in the section on reform of the economic system, the system of responsibility for contract and lease management was affirmed as a way to revitalize enterprises owned by the entire population, and it was proposed that "the various forms of responsibility for management, such as contract and lease, currently in force are a useful exploration of the separation of the two powers, and should be continuously improved and perfected in practice".

On the relationship between the four cardinal principles and reform and opening up, the report put forward the basic line of "one centre and two basic points" for the primary stage of socialism, i.e. "focusing on economic construction, adhering to the four cardinal principles and reform and opening up". This was a clear rejection of the view of the "birdcage economists" that the four cardinal principles are the outline and reform and opening up is the goal.

On the issue of the relationship between planning and the market, the report proposed that "the state should regulate the market and the market should guide the enterprises", a significant step towards capitalist marketisation in the direction of reform.

On the issue of the private economy, it was proposed that "a certain degree of development of the private economy is conducive to promoting production, enlivening the market, expanding employment and better meeting the various needs of the people's livelihood, and is a necessary and useful supplement to the public economy. Policies and laws on the private economy must be formulated as soon as possible to protect their legitimate interests and to strengthen their guidance, supervision and management."

In order to reduce resistance to market economy reform, the 13th National Congress also made personnel changes, with Peng Zhen and Deng Yingchao retiring in full, and Deng Xiaoping, Chen Yun and Li Xiannian retiring in half, i.e. withdrawing from the Central Committee, but still holding a position, with Deng Xiaoping as Chairman of the Central Military Commission, Chen Yun as Chairman of the Central Advisory Committee, and Li Xiannian as Chairman of the CPPCC. Deng Liqun, a "birdcage economist", was excluded from being a member of the Politburo and the Central Advisory Commission. In addition, the Research Office of the Secretariat was disbanded before the 13th National Congress, the Red Flag magazine was suspended and the "liberal" Hu Qili took over the propaganda work, thus the "birdcage economists" lost all political power.

After the 13th National Congress, the "contractual responsibility system", which had been in place since then, continued to be promoted. By the end of 1987, of the 11,402 large and medium-sized industrial enterprises, 8,843, or 77.6 per cent, were operating under the contractual responsibility system; of the 88,000 state-owned small industrial enterprises, 40,000, or 46 per cent, were operating under leases, contracts or transfers. Almost 100 per cent of the state-owned large and medium-sized industrial enterprises in Beijing and Shanghai had adopted the contract management responsibility system.

On 27 February 1988, the State Council issued the *Provisional Regulations on the Contractual Management Responsibility System for Nationally Owned Industrial Enterprises*, which set out the principles, forms and contents of the contractual management responsibility system and institutionalised it. On 13 April 1988, the *Law of the People's Republic of China on Industrial Enterprises under the National Ownership of the People's Republic of China* was passed at the first session of the Seventh National People's Congress. The contracting system for enterprises owned by the entire population turned state-owned enterprises into independent producers oriented to both the plan and the market, while the market orientation and the pursuit of profit were the qualities of

capital; at the same time, state-owned enterprises also fulfilled the state plan and were the economic basis of the bureaucratic clique.

The *Law of the People's Republic of China on Industrial Enterprises Under the National Ownership of the People's Republic of China*, adopted at the first session of the Seventh National People's Congress in April 1988, provides that "the property of an enterprise belongs to the entire nation, and the State grants the enterprise management rights in accordance with the principle of separation of ownership and management." The separation of ownership and management rights is the basic principle of the contractual responsibility system, and the Law also provides that "enterprises may, in accordance with the decisions of the competent government departments, adopt such forms of management responsibility as contracting or leasing." This legal recognition has given further impetus to the development of the contractual responsibility system, with 90.8 per cent of large and medium-sized enterprises having implemented various forms of contractual management responsibility by the end of 1988.³²⁰

The private economy has also been formally recognised by law. The National People's Congress adopted the Constitutional Amendment: "The State allows the private economy to exist and develop within the limits prescribed by law, and the private economy is a supplement to the socialist public economy. The State protects the legitimate rights and interests of the private economy, and exercises guidance, supervision and management over the private economy." On 15 June of the same year, the State Council promulgated the *Provisional Regulations of the People's Republic of China on Private Enterprises* and the accompanying tax regulations. This formally recognised the legal status of the private economy and brought private capital from the 'underground' to the surface. With the legalisation of private enterprises came the legalisation of the number of workers employed, and the limit on the number of workers was lifted.

In addition, the constitutional amendment allowed for the transfer of land use rights, making this important means of production available to all types of ownership, mainly private capital of course. The First Session of the Seventh National People's Congress also approved the establishment of Hainan Province and the establishment of the Hainan Special Economic Zone, which further established a port of entry for international capital.

In 1987, the state began to establish experimental zones for township enterprises, and a series of policies directly improved the policy environment for the development of township enterprises, which entered a new period of comprehensive development. From 1984 to 1988, the total output value of township enterprises increased from 171 billion yuan to 649.6 billion yuan, the number of enterprises increased from 6.06 million to 18.88 million, and the number of employees increased from 52.08 million to 95.45 million.³²¹ By 1998, township enterprises had achieved an added value of 2,218.6 billion yuan, accounting for 27.9 per cent of GDP.

However, the scale of township and village enterprises is generally small, and their capacity for labour is limited. In the late 1980s, surplus labour began to transfer to counties, cities and coastal development zones, and migrant workers who "leave the soil and the hometown" appeared. Of the 87.6 million rural workers in 1987, 20 million had left their hometowns. As the economic

³²⁰ Wang Haibo: *A History of the Industrial Economy of New China (1979-2000)*, Electronic Industry Press.

³²¹ Jiang Chunhai, 'A Historical Review of the Development of China's Township Enterprises', in *Studies in Township Enterprises*, No. 2, 2002.

environment began to be regulated in 1988, the survival of township enterprises deteriorated, with underemployment, losses rising and the number of workers declining, while the coastal areas were the only ones to have a strong presence, and a wave of migrant workers flocked to the coast. At the same time, individual and private enterprises were developing rapidly, competing with state-owned enterprises for capital, raw materials and resources, and in order to resolve this conflict, it was necessary to start developing outward-looking township enterprises making use of cheap land and labour on the coast, and at the same time offering preferential taxation to attract Taiwanese and Hong Kong-invested overseas Chinese. In this way, foreign investment also developed rapidly in the coastal areas.

In terms of economic operation, the State's devolution of planning to enterprises further confirmed the pivotal role of the market mechanism, thus creating a contradiction between the planned production of individual enterprises and the blind anarchy of society as a whole. Since then, a capitalist market economy has been established on a national scale, with the market as the basic means of allocating resources. In the market for the means of production, the two-tier system was further developed; for the means of subsistence, the scope of planned management was rapidly reduced, most necessities were allocated by the market, and welfare housing was largely eliminated, except for the ruling clique.

2. Failure of the "price breakthrough

Now that the restoration of capitalism was almost complete, only planned prices remained. If the market reform of prices was successful and the prices of the main commodities were determined by the market, then the framework of a capitalist market economy would basically be in place.

The conditions were not ripe for price reform in 1988. Theoretically, since there were effectively two types of prices, planned and market, and market prices were often higher than planned prices, price liberalisation was bound to lead to a general increase in prices. The ideal conditions for reform would have been a high rate of economic growth and a low rate of inflation; this would have been a less shocking time for the merger of the two types of prices.

However, as the struggle against bourgeois liberalisation was reversed, the corresponding adjustment policy became one of deepening reform and promoting growth, which led to a macroeconomic "soft landing" in 1986 before it could take off again in 1987. "In the first half of 1988, the already overheated economy accelerated again. In the first quarter, industrial output rose by 16.7% year-on-year, the highest since the third quarter of 1985; in the second quarter, it rose further to 17.6%. The four provinces of Guangdong, Jiangsu, Fujian and Shandong saw a 24-31% increase in gross industrial output.

The expansion of investment and consumer demand began to spiral out of control. In the first half of the year, domestic fiscal spending amounted to \$94.3 billion, up 10% year-on-year and higher than the growth in revenue; bank loans increased 3.5 times year-on-year; bank cash outlays grew by 45.9% and revenues by 40.7%; extra-budgetary investment grew by 20.9% and money was over-issued. Total social supply grew by 17.2% at current prices in the first half of the year, while total social demand rose by 31.4%; the purchasing power of social groups increased by 19% year-on-year. The national retail price index rose by 9.5% in January, 16.5% in June and a record 19.3% in July, with a few cities experiencing a buying spree from February onwards.

It was quite risky to carry out price reform at a time when aggregate supply growth was high but still not keeping up with aggregate demand growth and inflation was in danger of spiralling out of control. However, Zhao Ziyang, the General Secretary who was also in charge of the economy,

wanted to solve the problem of over-distribution of national income and the fall in real income levels of workers due to inflation by issuing more money, increasing supply further and linking wages to prices, and was determined to push through price reform. Price reform began under the strong impetus of Zhao Ziyang.

On 12 and 13 January 1988, the State Council met to analyse the economic situation, and several comprehensive departments of the State Planning Commission strongly suggested that the most prominent problem in current economic life was the substantial rise in prices, and that price stability should become a top priority for economic work. The report concluded that it was no longer possible to control price increases at 6% and that if all the factors for price increases were introduced, price increases would have to reach 12%.

On 25 January 1981, (*obviously the wrong date, but that is how it appears in the original – Trans.*) at a meeting of the Central Leading Group on Finance and Economics, Zhao Ziyang criticised the general departments for being "full of prices and seeing the trees but not the forest" and proposed that "if consumer prices rise, we should compensate urban residents, and in this way the chain reaction will not be too great". On 6 February, Zhao Ziyang convened a meeting of the Politburo, the minutes of which were distributed to the whole Party, proposing that "the policy of further stabilising the economy and further deepening reform is a positive one, not a negative one." "The economy must be stabilised by means of reform."

On 2 April, Zhao Ziyang said at a seminar on the prices of production materials: "Every year, the state stresses price stability, fearing chaotic price hikes and not daring to raise prices on its own initiative. The same is true of wages, for fear of wage increases, so they try to control the consumption fund, not daring to propose a wage reform programme, but in fact the consumption fund has also gone up. The key to this is the lack of initiative to rationalise the relationship between the two parties. The time has come for us to move forward or retreat."

The "market-economists" also want to take risks and continue to push forward reforms. "On 19 May, Deng Xiaoping, in a meeting with a military delegation from the DPRK led by the Minister of the People's Armed Forces, said: "Without resolving the price issue, we cannot put down the burden and move forward lightly... ..Isn't there a Chinese story of Guan Gong who 'passed through five hurdles and killed six generals'? We may have to overcome more 'hurdles' and cut down more 'generals' than Guan Gong."³²² The talk of a prices "break-through" had spread.

On 16 May, Zhao Ziyang told the Standing Committee of the Political Bureau of the CPC Central Committee that the current situation was such that there was no alternative but to face the difficulties and move forward. The meeting decided that the State Council should draw up a reform plan for prices and wages and submit it to the Political Bureau of the Central Committee for consideration.

The "birdcage economists" no longer support further reforms. "On 28 May, Chen Yun spoke with Li Peng and expressed his opposition to the price and wage reform proposals under discussion, saying: "It is not possible to increase prices by 10 per cent a year. I am a calculator and I have numbers in my head. Rationalising prices will not be straightened out in your lifetime, and financial subsidies will

³²² Deng Xiaoping: *Selected Writings of Deng Xiaoping (Vol. 3)*, People's Publishing House. p. 262.

not be abolished."³²³ But in a world where reform was being pushed forward and the "birdcage economy" was at a disadvantage, it was unlikely that this view would be taken.

On 28 May, the State Council set up a State Price Commission in an atmosphere of uncertainty and on 30 May, the Political Bureau of the Central Committee of the Communist Party of China held its ninth plenary meeting, which was extended to the party secretaries of the provincial, municipal and autonomous regions. At the meeting, it was decided to reform the price and wage system. The Price Commission of the State Council put forward a preliminary plan for price and wage reform, proposing that the general direction of price reform was to leave the prices of a few important commodities and services under state control, and to liberalise the prices of most commodities and leave them to market regulation. In five years' time, the initial rationalisation of price relations would be carried out.

This proposal was discussed at an executive meeting of the State Council from 5 to 9 August and then submitted to the Political Bureau of the Central Committee of the Communist Party of China, chaired by Zhao Ziyang and held in Beidaihe from 15 to 17 August, for discussion and approval in principle. On 19 August, the People's Daily published the communiqué of this meeting of the Politburo of the Central Committee, reporting the basic content of the price reform, which had seen prices rise by 16.5% in June and 19.3% in July. Panic buying had already appeared in the first half of the year, and workers had felt the need to preserve their savings. Thus, at a time when prices had already risen sharply and inflationary expectations were very strong, the People's Daily's report on the Politburo's decision on price reform was like a warning shot, instantly triggering a nationwide rush to cash in on savings and buy goods.

With word on the street that prices would be fully liberalised on 1 September and that the value of the RMB in your hands would depreciate significantly in just a few days, who would keep the banknotes? The rush to buy began in the better-informed cities of Beijing, Shanghai, Tianjin, Chongqing and Wuhan, and swept through the country's major cities and some villages. Consumer durables, daily commodities, even salt and matches were among the items snapped up. The snapping up was done without asking for varieties, brands or prices, as long as they were commodities, they were all snapped up.



The rush to buy was accompanied by a run on bank deposits; not only on demand deposits but also on time deposits. On the one hand, there was a significant decline in savings; on the other hand, the

³²³ Jin Chongji, Chen Qun, editor-in-chief: "A Biography of Chen Yun", Central Literature Publishing House, p. 1792.

run led to a significant increase in the amount of money invested, further pushing up prices, which in turn led to more serious price rises, more frantic buying and more runs on deposits, creating a vicious circle of "the more it goes up, the more you grab; the more you grab, the more it goes up."

In August, total retail sales of social goods rose by 38.6% year-on-year, and by 13% net of price rises. Of these, grain sales increased by 30.9%, cotton 41.2%, silk 35.5%, washing machines 130%, refrigerators 82.8% and televisions 56%. Urban and rural savings deposits fell by 2.61 billion yuan and fixed-term deposits by 2.78 billion yuan. In just a few days, the economic situation deteriorated to such an extent that it was in danger of spiralling out of control, and if urgent measures were not taken, there was a risk of hyperinflation, which could evolve into a full-blown social crisis.

In this context, the "birdcage economists", the "market economists" and the far-sighted "liberals" rallied to contain the situation from deteriorating further. On 30 August 1988, Premier Li Peng chaired the twentieth executive meeting of the State Council and on the same day issued the State Council's *"Emergency Circular on the Current Price Work and Market Stabilisation"*. The Emergency Circular began with a statement that:

"The prices of a few important commodities and services will be managed by the state, and the prices of the vast majority of commodities will be liberalised and regulated by the market', referring to a long-term goal of five years or somewhat longer Next year, as the first year of realising the five-year reform programme, the State Council will take strong measures to ensure that the rate of increase in retail prices of social commodities is significantly lower than that of this year."

The original five-year time frame for price reform had been changed to "five years or longer", effectively ending the price breakthrough. The Emergency Circular also proposed that "the State Council's stipulation that no new price increases will be introduced in the second half of this year must be resolutely implemented", specifically in three areas: the prices of commodities and fees managed by the State Council must not be raised anywhere without permission; those managed locally must not be raised arbitrarily; and enterprises must not raise prices indiscriminately. Any violation of these three provisions shall be seriously pursued against the persons in charge.

On 12 September, when Deng Xiaoping was briefed on the preliminary proposals for price and wage reform, he said, "My central point is that the central government must have authority. For the reform to succeed, it must be carried out in a leading and orderly manner." "We have to set a guideline that the reform should be deepened under the unified leadership of the central government." "Only a multifaceted and comprehensive reform can create the conditions for price reform."³²⁴

From 26 to 30 September, the Third Plenary Session of the 13th Central Committee was held in Beijing. The communiqué of the conference stressed that "the focus of reform and construction in the next two years will be prominently placed on managing the economic environment and reorganising the economic order", and specifically stated that "in order to ensure the successful completion of the tasks of managing the economic environment, reorganising the economic order and deepening reform, it is necessary to strengthen the leadership of the Party and bring our political strengths into play".³²⁵

³²⁴ Deng Xiaoping: *Selected Writings of Deng Xiaoping (vol. 3)*, Beijing: People's Publishing House. pp. 277-278.

³²⁵ The Literature Research Office of the Central Committee of the Communist Party of China, edited: *Selected Important Documents since the 13th National Congress*, Beijing: People's Publishing House. pp. 286-287.

The approach to China's economic development formally changed from one of price reform to one of governance and consolidation, while the "birdcage school of economics" began to regain the initiative in shaping economic and social development, expanding the scope of administrative instruments and narrowing the sphere of market domination. The adjustments were mainly in four areas: firstly, price regulation, secondly, the reduction of infrastructure, thirdly, the liquidation of companies, and fourthly, the control of the purchasing power of social groups. In this way, not only was the further marketisation of prices halted, but many of the prices that had been liberalised were also withdrawn.

On 24 October 1988, the State Council issued the *Decision on Strengthening Price Control and Strictly Controlling Price Rises*, which set out in detail the price policy for various commodities. For example, "the prices of grain and cooking oil, which are rationed for urban residents, will remain unchanged", "the prices of vegetables in large cities will be planned and will not be liberalised", "the maximum prices of important production materials outside the plan will be resolutely enforced", and so on. "These were in fact administrative measures to freeze prices and restore bureaucratic planning to control prices. Another example is "to manage and guide the prices of industrial consumer goods that have been liberalised", "to implement a system of price increases by industrial and commercial enterprises by November 15 at the latest", "to respond to requests for price increases made by enterprises, the price department may, in accordance with the requirements of price control, impose a price increase on the enterprises". The price department may, according to the need to control the price level, stop or postpone the price increase".³²⁶ In practice, this brought commodities whose prices were already market-oriented back into the administrative control system and deprived private capital of pricing power. In practice, this was implemented by means of directive plans, which were used as the main assessment indicator for political performance. By regulating prices, the bureaucrats regained control of many areas of the economy that had been lost.

On 24 September 1988 and 5 January 1989, the State Council successively issued the *Circular on Cleaning Up Fixed Assets Investment Projects in Progress, Reducing the Scale of Investment and Adjusting the Investment Structure*, and "On Further Clearing Up Fixed Asset Investment", which in effect took back the investment powers dispersed to localities and enterprises and cancelled some of the measures implemented in previous years under the system of devolution of power and profit and responsibility for management contracts.

On 3 October 1988, the Central Committee of the Communist Party of China and the State Council jointly issued the *Decision on Cleaning and Rectifying Companies*, which "mainly solves the problems of companies not being separated from government and enterprises, not being separated from government and business, reselling and profiteering". In addition to solving the problem of business dealings by cadres of the authorities, the Decision also delineated areas where the market was not allowed to enter, such as "the business of supplying important production materials and durable consumer goods in demand shall be carried out by state-run commerce, material supply and marketing departments, supply and marketing cooperatives and enterprises producing such goods in accordance with the law", and "violators shall be punished in accordance with the Interim Measures for Punishing Speculation and Peddling." This document, while attempting to solve the problems of official peddling and official business, also placed strict restrictions on the scope of the role of capital in the commercial sector.

³²⁶ The Literature Research Office of the Central Committee of the Communist Party of China, edited: *Selected Important Documents since the 13th National Congress*, Beijing: People's Publishing House. pp. 309-312

With regard to controlling the purchasing power of social groups, on 6 October 1988 the State Council issued a decision on controlling the purchasing power of social groups, requiring that "the purchasing power of social groups in the current and next two years should be reduced by 20 per cent each year on the basis of the actual expenditure of the previous year, according to the actual comparable standard". "All regions and departments must follow the control targets issued, approve them at each level, and implement them at each level." This document also specified specific control methods for many commodities, and like the general objective, it delegated the departmental management powers of party and government organs, people's organisations, enterprises and institutions (especially township enterprises and street collective enterprises) to higher-level units, exercising direct control.

In addition to these four aspects, other measures such as controlling credit, foreign trade, and finance have also been adopted. With all these measures combined, the field controlled by the bureaucracy through the administrative and planning fields had significantly expanded, and the degree had been significantly strengthened, while the field of private capital power and market logic had been greatly reduced, and the degree had also been significantly reduced. When the bureaucratic bourgeoisie had not yet found a suitable way to control society through the market economy and political power, the dominance of the "birdcage economists" was re-established as soon as serious economic problems arose.

3. The June Fourth Incident

By 1989, there was a sense that the whole society was in a state of flux. Firstly, the resurgence of capitalism caused widespread discontent among workers. Severe inflation threatened the living conditions of ordinary people, and those on fixed incomes and those whose incomes had not kept pace with price rises suffered an absolute decline in their standard of living and were naturally dissatisfied with the reality. There were no new breakthroughs in agricultural production technology and the yield-enhancing effect of the price increases had long since worn off, so food production fell and the peasants were slow to increase their incomes, which increased their burden and led to much resentment.

The polarisation brought about by the restoration of capitalism has also repeatedly rattled the nerves of working people who are not familiar with this phenomenon. The logic of capitalism naturally leads to polarisation and inequality between the rich and the poor, not to mention the fact that a considerable number of people get rich not through legal operations but through all sorts of commercial activities that, in the eyes of ordinary people, are in fact speculative. It was outrageous that corrupt members of the bureaucracy took advantage of the price differential in the two-track system for their own personal gain. In order to get a permit from the party officials in charge of the planned goods, a large number of bribes were paid, connections were made, back doors were used, and people relied on their fathers and mothers. How could workers not resent such a blatant form of corruption when such people could get planned prices and then sell them on for a fortune?

A folk song of the time sums up the situation well: "The market supply is tense, the economy is in chaos, the officials are in a hurry to dump the private sector, and the common people are furious". The social basis for the June Fourth Incident was the workers' dissatisfaction with the status quo.

At the same time, when the representatives of private capital within the system suffered defeats in the price breakthroughs and lost control of historical development under the conditions of governance and consolidation, liberal intellectuals outside the system gradually became active, trying to push for the 'democratisation' of the bourgeoisie by means of pressure from outside the

system, thus continuing the expansion of capitalist power in a political fashion. At its peak, the phenomenon of the discounting of their rights intensified and aroused a great deal of resentment among workers.

Various forms of "research meetings", "seminars" and "salons" emerged in Beijing universities, and representatives of private bourgeois ideology such as Fang Lizhi and Yan Jiaqi often came to these venues to deliver speeches attacking the Party and government. On 6 January 1989, Fang Li Zhi called Deng Xiaoping to demand an amnesty for political prisoners and the release of Wei Jingsheng. (*Towards the end of 1978, Wei put up a big-character poster on Democracy Wall calling for democratisation as a "fifth modernisation" and implying that Deng Xiaoping was a dictator – Trans.*) On 28 January, Fang Li Zhi and others organised a "New Enlightenment Salon" in Beijing, which was attended by many journalists from Western countries.

At the "Celebrities and Famous Artists Spring Festival Party" held at the Friendship Hotel on 4 February, Fang Lizhi said, "I hope that entrepreneurs, as the new force in China, will unite with the advanced intellectuals and fight for democracy." This appeal reflected the fact that the ideological forces of private capital had become consciously aware of their socio-economic base and had begun to try to unite with it using bourgeois-democratic slogans. On 13 February, Chen Jun issued an open letter to the Standing Committee of the NPC and the CPC Central Committee, demanding "an amnesty on the occasion of the 40th anniversary of the founding of the country and the 70th anniversary of the May Fourth Movement, especially the release of political prisoners such as Wei Jingsheng".

On 25 February, the then US President George W. Bush visited China and the following day held a Texas-style barbecue at the Great Wall Hotel, to which he invited Fang Lizhi, Qin Benli and Yan Jiaqi without the consent of the Chinese government. The official US statement on the subject was published on 28 February. The support of international capital for the power of private capital in China was evident, and this support made the conflict between the extra-establishment bourgeoisie and the bureaucratic bourgeoisie even more pronounced. The initial ideological propaganda and political organisation of the liberals outside the system had begun, and the contradictions with the bureaucratic bourgeoisie were becoming more open.

It was at this point that the trigger appeared. Hu Yaobang, former General Secretary of the Communist Party of China (CPC) and a representative of private capital, died of heart failure on 15 April 1989. Hu Yaobang was an iconic figure of liberalism, having stepped down for his ineffective handling of the 1986 "December student uprising". If the evaluation of Hu Yaobang changed, then it would be a disguised recognition of the legitimacy of the student movement that Hu Yaobang was unwilling to deal with. Therefore, the issue of Hu Yaobang's personal evaluation had considerable political significance and had a direct impact on the actual political struggle. In order to gain legitimacy in terms of public opinion and political organisation, the "liberals" demanded the vindication of Hu Yaobang, and thus indirectly the vindication of the "December student uprising" of 1986, in order to pave the way for similar activities at the time.

After the news of Hu's death was broadcast on 15 April, students took to the streets in Beijing that night, and late at night on 18 and 19 April, marchers stormed the Xinhua Gate in Zhongnanhai twice, and the student demonstrations quickly spread across the country, focusing on the demand on the central government for a new conclusion to the 1987 opposition to bourgeois liberalisation that led to Hu's downfall.



On 22 April, a memorial service for Hu Yaobang was held at the Great Hall of the People; by this time tens of thousands of students had already gathered in Tiananmen Square, but the venue was not cleared as is customary. After the memorial service, three students knelt outside the east gate of the Great Hall of the People and handed in a petition requesting an audience with Premier Li Peng, which led to an outcry and a strike.

The ideological power of private capital was manifested mainly through the students, who directed their petition at Premier Li Peng, the symbol of the "birdcage economy", rather than Zhao Ziyang, the General Secretary of the CPC Central Committee, who was actually responsible for the matter.

On 24 April, the bureaucratic situation began to deteriorate when over 60,000 students in 34 schools went on strike, putting forward liberal ideas such as freedom of speech. On the same evening, the Party Committee of the Political Bureau of the CPC Central Committee held a meeting and concluded that "a planned and organised political struggle against the Party and socialism has been set in front of us" and decided to set up a central group to stop the unrest. On 25 April, Deng Xiaoping spoke with Li Peng and Yang Shangkun, who fully supported this decision, saying that "this is not an ordinary school protest, but a turmoil", and demanding that "we should take clear-cut and effective measures to oppose and stop this turmoil".



On 26 April, the People's Daily published an editorial entitled "The unrest must be opposed in a clear-cut manner", qualifying it as "a planned conspiracy and an upheaval, the essence of which is to fundamentally deny the leadership of the CPC and the socialist system" and calling for coercive measures in response. This was a rather harsh characterisation, and the conflict then intensified.

The day after the editorial, on 27 April, a march of 100,000 people took place in Beijing, and the liberals changed their tactics, from demanding the vindication of Hu Yaobang, and re-characterising their opposition to bourgeois liberalisation to embracing the Communist Party, upholding the four cardinal principles, and seeking to overthrow corruption and overthrow officials.

The adjustment of the "liberal" strategy had a very good effect, as the "support for the Communist Party" and "adherence to the four basic principles" had made the "April 26th" editorial "anti-Party and anti-socialist" characterisation unfounded. "The "Down with Corruption, Down with Officials" also allowed itself to represent the demands of the workers against the corrupt bureaucrats, isolating them. The masses were used by the bourgeoisie as cannon fodder for the bourgeois movement before their own class representatives had been established.

Moreover, the April 27 parade was not repressed as emphasized in the April 26 editorial, which also encouraged the political mobilization of private capital. On May 4, the students marched again; this time with 500 journalists. At the end of the march, organizers announced the end of the petition, ending the strike on May 5.

On the same day, the then General Secretary of the CPC Central Committee, Zhao Ziyang, in a speech when meeting with the directors of the Asian Development Bank, said of the nature of the incident that the vast majority of students in the march "absolutely do not want to oppose our fundamental system, but demand that we change the shortcomings in our work". When talking about the domestic situation, he said that "the situation will gradually calm down and there will be no major unrest in China", and when talking about the way to deal with the situation, he said that "it should be resolved on the basis of democracy and the rule of law, and in an atmosphere of rationality and order". It is clear that the liberal wing of the system has also begun to show solidarity with the movement.

On 15 May, when Gorbachev was due to visit China, hundreds of students from Peking University and Beijing Normal University began a hunger strike in Tiananmen Square on 13 May, demanding freedom of the press, the lifting of the ban on newspapers, and dialogue between the government and the students to promote democratisation. On 14 May, the government held a dialogue with the students in order to receive Mikhail Gorbachev. The students demanded that the central government recognise the student movement as a patriotic action, i.e. overturning the characterisation of the April 26 editorial, while the bureaucrats insisted that the students had patriotic fervour, but that their actions were wrong.



Negotiations broke down and the students persisted in their hunger strike, refusing to evacuate Tiananmen Square. On 17 May, mass demonstrations of solidarity with the students in Beijing were unprecedented in scale. Students from 170 universities in 27 cities marched in solidarity with the hunger strikers in Beijing, and the situation spiralled out of

control, with the bureaucratic bourgeoisie facing an unprecedented crisis of possible loss of power.

It was also on this day that a crucial meeting was held at Deng Xiaoping's home. The meeting was convened by Deng Xiaoping and attended by all five members of the then Standing Committee of the Political Bureau of the CPC Central Committee, namely Zhao Ziyang, Li Peng, Qiao Shi, Hu Qili and Yao Yilin.

Despite the opposition of Zhao Ziyang and Hu Qili, the majority of people still believed that the April 26 editorial was correct and that Zhao Ziyang's speech at the Asian Bank on 4 May was a turning point in the deterioration of the situation. The majority of the meeting opposed Zhao Ziyang's view of concessions and decided to impose martial law on parts of Beijing. The establishment liberals showed their obvious lack of organisational strength at a crucial time and were defeated by the bureaucratic bourgeoisie in a legal manner.

At this time, the forces of private capital inside and outside the system had only made initial attempts to test each other, and it was impossible to continue to integrate. On the morning of 18 May, Li Peng and the others again spoke with the students, who insisted that they "affirmed that the student movement was a patriotic and democratic movement" and "rejected the 'April 26' editorial". In the early hours of 19 May, Li Peng and Zhao Ziyang went to the square to visit the hunger strikers, and Zhao gave an impromptu speech to the students through a loudspeaker, pleading with them to end their hunger strike, but still affirming that "the students are well-intentioned and are doing it for the good of our country". Zhao Ziyang bowed and the students applauded enthusiastically. This was one of the most direct interactions between the forces of private capital inside and outside the system, but the situation could not be undone.



On the evening of 19 May, a general meeting of Party, government and military cadres was held in the capital, and Li Peng called for "urgent mobilisation, resolute and forceful measures to stop the unrest and restore normal social order". On 20 May, Deng Xiaoping met at home and proposed Jiang Zemin as General Secretary of the CPC Central Committee. On the same day, Li Peng signed an order from the State Council deciding to impose martial law in some areas of Beijing from 20 May.

On 26 May, Chen Yun chaired a meeting of the Party Committee of the Central Advisory Commission and said, "First, this is a critical moment and we cannot retreat. If we retreat, the socialist People's Republic of China, which was bought with the heads of 20 million revolutionary martyrs, will be turned into a bourgeois republic. Secondly, we, as old comrades, are now to resolutely support the CPC with Comrade Deng Xiaoping at its core and the speech made by the Standing Committee of the Political Bureau of the CPC Central Committee, represented by Comrade Li Peng, at a conference of party, government and military cadres in the capital."

The Standing Committee present unanimously expressed agreement with Chen Yun's speech.

On the same day, Peng Zhen spoke at a forum of non-party deputy chairmen of the Standing Committee of the Seventh National People's Congress, saying, "The martial law decree of the State Council is fully in line with the Constitution and laws and does not contradict them in the slightest" and "How can the Standing Committee of the National People's Congress not support it?" On 27 May, Li Xiannian addressed a meeting of CPPCC chairmen, saying, "The decision and series of measures announced by Comrade Li Peng on behalf of the Party Central Committee and the State Council to curb unrest and stabilise the situation should be firmly supported by us"; " The Chinese People's Liberation Army is carrying out the sacred task of martial law to stop unrest and we should resolutely support it".

So far, the Central Committee of the Communist Party of China, the State Council, the National People's Congress, the Chinese People's Political Consultative Conference, the Advisory Committee, and other core party and state organs had all had a clear attitude, and the power of private capital in the system had disappeared by this time. On the evening of June 3, the army advanced towards Tiananmen Square from all directions. After removing obstacles along the way, they cleared Tiananmen Square in the early morning of June 4, creating the "June 4 Incident" that shocked the world, and the forces of private capitalism outside the system were defeated.



In this way, the liberals, both inside and outside the system, were defeated separately by the bureaucratic bourgeoisie because of their lack of organisation, lack of mutual support and unity of action, and especially because of their already weak position in terms of power. In the face of the unprecedented crisis, the bureaucratic bourgeoisie showed unprecedented solidarity and successfully defended the bureaucratic dictatorship against the breakaway forces of private capital within the party and in society.

With their power threatened, the bureaucratic bourgeoisie took brutal measures to ensure that the people were repressed with guns and tanks. The army even used blasting and spiral bombs to hit the masses, causing a large number of people to die from wounds that were difficult to heal. Although the direction of the movement was mainly controlled by the liberals, many workers and peasants also put forward ideas to solve corruption, inflation and bureaucratic pressure on the people, but these people, because they were all against the bureaucratic bourgeoisie, were equally repressed. The whole purge resulted in over 2,000 deaths and tens of thousands of injuries.³²⁷ It was mainly workers and citizens who were hit, with students being severely injured. Only the bureaucratic

³²⁷ Han Ding: *The Great Reversal: Privatization in China 1978-1989*

bourgeoisie, which stood in opposition to all the people, could have committed such an atrocity against the masses in any case.



Even if the people are led in the wrong direction, should the people be crushed by the machinery of violence? The difference in attitude between the proletarian revolutionaries and the bureaucratic bourgeoisie towards the people is even more evident when comparing the Tiananmen Square incident in 1976. Although the people were used by the bourgeoisie, it was the more reactionary and shameless bureaucratic bourgeoisie that suppressed them, and by accusing others of being bourgeois in order to suppress them, they were only covering up the reactionary nature of their own bureaucratic bourgeois dictatorship.

At the same time, it is impossible for the bourgeoisie to fight for democracy completely. On the one hand, they want to fight for democracy in order to enter the ruling group in a weak situation, but on the other hand they want to rely on the dictatorship to suppress the proletariat. Thus, as long as they gain economic advantages and are gradually drawn in by the ruling clique, they will enjoy their position as a ruling class and leave the nonsense of democracy and freedom behind.

The ignorant bourgeois intellectuals made democracy and freedom the golden rule, while their real social forces used them as a pretext to impose the dictatorship of the bourgeoisie. Thus, as private capital was increasingly absorbed into the ruling clique, it became difficult for the intellectuals to make waves.

"After the June Fourth Incident, a massive purge began, with a large number of liberals within the system being purged and liberals outside the system being arrested or sent into exile. Attempts by private capital to take control of power failed completely.

4. The "New Enlightenment" - Chinese Culture in the 1980s

1. From "humanitarian" thinking to "depoliticisation"

In the 1980s, a wave of "humanist" thinking emerged in all areas of culture, including "scar" and "reflective" literature in literature, "alienation", "aesthetic fever", "subjectivism" and "poetic philosophy" in philosophy, and "humanist" works in art, all of which were expressions of this trend.

"Humanism is a bourgeois ideology that emerged in Europe during the Renaissance and flourished during the Enlightenment. "Humanism emphasizes the abstract human being without class, puts the

human being at the centre of the world, and advocates a "humanism" that believes in the existence of a transhistorical and transcendental humanity. This abstract "man" and "human nature" did not exist, but was only a construction of the minds of bourgeois scholars.

The bourgeoisie took the abstract human being as the starting point for the study of social and humanistic sciences, and gave the "human being" various necessary natures, such as rational selfishness, and then all their studies started from the "nature" of the "individual. However, they have never really studied the existence of this so-called "human nature", or why it exists, or why, as they say, it exists. They simply describe a certain aspect of the ruling class's own characteristics in the current era as "human nature".

The real person is connected to society as a whole through practice, and "the essence of the person is not an abstraction inherent in the individual person, but in its reality it is the sum of all social relations."³²⁸ Different eras, different modes of production, different social structures and different social positions create different human beings.

As a bourgeois ideology, humanism repeatedly emphasises seemingly unquestionable propositions such as "man as man", without any theoretical justification and without regard for the history of reality. It uses the abstract theory of the human being to promote bourgeois values and social ideals, to present the interests of the bourgeoisie as the interests of all human beings, to establish rationality in capitalist society and thus to establish and consolidate bourgeois rule.

Such ideas were introduced to China from Europe, America and the revisionist Soviet Union and Eastern Europe during the socialist period, but they were naturally criticised by the representatives of the proletarian revolution. In the 1980s, however, the emergence of "humanitarian thinking" in China actually coincided with the restoration of Chinese social capitalism. The process of capitalist restoration required such a trend of thought, which was encouraged by the bureaucratic bourgeoisie's conscious efforts to reverse the orientation of the intellectuals and buy them off. Once this ideology emerged, it became the ideological force that promoted and ensured the restoration of capitalism in China.

The humanitarian trend in China in the 1980s focused on a 'rethinking' of the socialist period, especially the Cultural Revolution. They criticised the "class" discourse of the socialist period and advocated an undifferentiated "human" discourse. It was a criticism of revolutionary literature and art, and a rejection of the link between literature and politics, in effect a depoliticised politics. The restoration of capitalism in the 1980s was made possible by this humanitarian critique of the so-called "inhuman" socialist period and by the promotion of the idea of individual freedom.

At the same time, the humanitarian trend of the 1980s also saw itself as the reappearance of the enlightenment of the May Fourth period in the New Age. Li Zehou, on the relationship between the eighties and the May Fourth Movement, says

"Everything is reminiscent of the May Fourth era. The enlightenment of man, the awakening of man, humanism, the restoration of humanity, all revolved around the theme of the sensual flesh and blood individual demanding liberation from the ravages of God as a rational alienator. The cry 'O man, man' was heard in every sphere ".³²⁹

³²⁸ Marx, *'Outline on Feuerbach'*, Collected Works of Marx and Engels (vol. 1). Beijing: People's Publishing House. p. 501.

³²⁹ Li Zehou: *'A Glimpse of Twentieth Century Chinese (Mainland) Literature and Art'*, in *Essays on the History of Modern Chinese Thought*. Hefei: Anhui Literature and Art Publishing House. p. 255.

In other words, the humanism of the 1980s saw itself as a new enlightenment. The spirit of enlightenment of the May Fourth Movement had been lost as a result of socialism's trampling on the "human being", and a new enlightenment was therefore needed. In fact, they criticised socialism precisely because it did not allow capitalist relations of production and ideology to exist, and did not allow the bourgeoisie's "humanity" to develop unchecked, so they shouted that "humanity" needed to be restored.

The humanitarian trend of the early 1980s was dominated by the "aesthetic fever" and "alienation problem" in philosophy and the "scar" and "reflection" literature in literature. There was a clear division of labour between the three, with literature dealing directly with socio-political issues, aesthetics seemingly transcending society, and philosophy in between, as well as relating to reality and constructing a romantic fantasy of human nature.

In the early 1980s, humanitarian thinking in philosophy revolved around the issue of alienation. Marx's earlier work, *The Economic-Philosophical Manuscripts of 1844*, became a legitimate veneer of humanism, and this essay, which was in fact written at a time of theoretical transformation for Marx, was 'a critique based on the principle of the general problem of alienation in anthropology A critique based on principles ... a critique that attempts to liberate from, but remains enslaved to, the general problem of idealism'.³³⁰

At this time, Marx was in fact still influenced by the critical framework of the "human-not-human" theory of humanism, and did not really study capitalism from the perspective of historical materialism. The philosophical circles of the early 1980s seized on this shortcoming and used this veneer of legitimacy to abstract Marx's youthful critique of capitalism into the "inhuman" phenomenon of all times, even adding Hegel's and Feuerbach's concept of alienation, in order to criticise the so-called "inhuman" policies of the socialist period, the enslavement of man, the degradation of man and the prevalence of alienation.

They criticised the socialist period for alienation in the economic sphere, i.e. not following the rules, and concentrated their attacks on the Great Leap Forward; in the political sphere, for alienation and the lack of democracy and the rule of law, and concentrated their attacks on the Cultural Revolution, which was in fact a call for bourgeois formal democracy; and in the ideological sphere, for alienation and the cult of the individual, which was in fact an indirect criticism of Mao and the socialist period he represented, interpreting the socialist period, especially the Cultural Revolution, as the result of the cult of the individual.

Such a theory was clearly a denial of socialism and a defence of capitalist restoration. However, at the end of 1983, due to the deteriorating economic situation and the struggle between liberals and bureaucrats, Zhou Yang's question of socialist alienation was criticised as a liberal attack on bureaucrats. The contradiction between the bureaucrats and the intelligentsia was also evident here. On the one hand, the bureaucracy needed to rely on the cultural community to criticise the socialist period, so as to establish the legitimacy of reform and opening up; on the other hand, the cultural critique of socialism led directly to Western-style capitalism, which endangered bureaucratic rule, and thus the bureaucrats had to suppress this tendency.

The critique of alienation by bureaucrats such as Hu Qiaomu continued to draw on socialist discourse and Marxist theory. However, this was only used as a tool to justify bureaucratic domination by Marxist theories while restoring capitalism. He affirmed the critique of the Cultural Revolution, but rejected the critique of bureaucratisation by Zhou Yang and others, arguing that this

³³⁰ Althusser: *In Defense of Marx: Preface*: Today, p. 20.

was the theoretical basis of the Cultural Revolution. In fact, despite his criticism of bureaucratisation, Zhou Yang did not want a continuation of the revolutionary solution, but rather a move towards Western-style capitalism. It is clear that both sides were fundamentally on the side of the bourgeoisie.

The 'humanitarian' trend in literature emerged much earlier and was more directly political in orientation. It was mainly through "scar" and "reflective literature" that the so-called "human nature" of the Cultural Revolution was trampled on and the rights of human existence and dignity were ignored. Moreover, this literature, "in the name of 'humanity', is a critique of the tyrannical historical regime, and at the same time it integrates a critique of the nation-state as an 'imagined community' through an expression different from the class state of Mao's time. The abstract 'personhood' of the 'nation' is a very important part of the work. The abstract rhetoric of 'humanity', when translated into concrete plot ideas and historical imagery, is a reconfiguration and writing of a new order of 'family' and 'nation'. "³³¹



(Chinese movies with the theme of exposing the "wounds" of the Cultural Revolution appeared at the same time as "scar" literature. This poster has the characters for "scar" – Trans.)

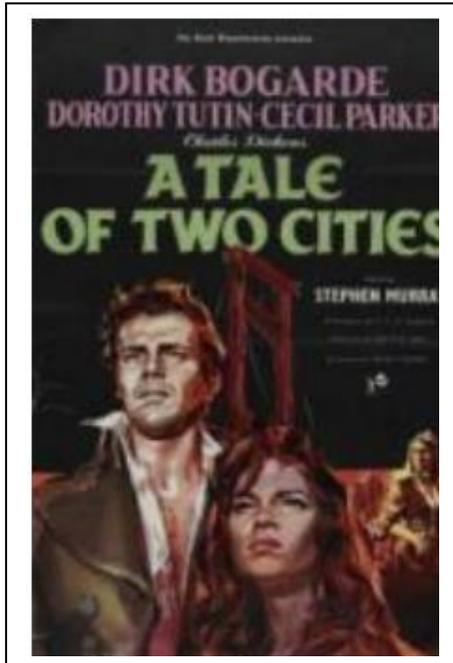
Representative works of "scar" literature include Zhu Xinhua's *The Scar* (1978), Chen Keguo's *What Should We Do* (1978), Feng Gicai's *The Divergent Road of Flowers* (1979), Kong Jiasheng's *Over the Little River* (1979), Zhang Jie's *Remembered* (1979), and Gu Hua's *Furong Town* (1981). These novels are all indictments of the madness of the Cultural Revolution, depicting it as an outbreak of ugly humanity and the manipulation of the people by evil characters, and of the destruction of human beings and the ethics of the family.

In this way, on the one hand, the Cultural Revolution was described with an idealist view of history, so that the true connotation and historical status of the Cultural Revolution could not be clearly understood, thus denying the entire socialist period. The so-called family ethics of affection calls for valuing the individual, and this individualism is reflected in the capitalist market economy, so it calls for the capitalist society in essence. At the same time, the literature of the 'scars' uses the nationalist narrative of the family to conceal the growing class divide in the country. Such a literature undoubtedly laid the foundations of legitimacy for the restoration of capitalism.

However, it is capitalism that has torn away the veil of warmth and affection that enveloped the family, with the bourgeoisie exchanging money for sexual relations on the one hand, and the

³³¹ He Guimei, "The "New Enlightenment" Intellectual Archive: A Study of Chinese Culture in the 1980s", p. 75.

proletariat's family being destroyed in tatters on the other. The more the bourgeoisie proclaims the individual and the family, the more it reveals its own hypocritical nature, for capitalist society only shapes the bourgeoisie's personal enjoyment and success and the chaos of the family, and the proletariat's personal failure and enslavement and the shattering of the family.



The 1980s also saw a gradual shift away from the critical realism of European classical literature towards romanticism. Victor Hugo's *Nineteen Thirty Three*, Dickens' *A Tale of Two Cities*, Tolstoy's *War and Peace* and *Anna Karenina* replaced *Les Misérables*, *Tears of a Lonely Heart* and *Resurrection* as the most respected works in literature. In fact, this is a critique of the Cultural Revolution, borrowed from the European Romantic critique of the French Revolution, and a reflection on the tyranny of the so-called revolution.

During the socialist period, literature and art were part of the overall cause of the revolution, which contradicted the individualism of the bourgeois intellectuals, so the 'aesthetic fever' that emerged in the early 1980s was in fact a desire to lay the foundations of bourgeois literary theory and practice. In the 1980s, beauty was elevated to the highest value.

"The nature of beauty is the most complete expression of the nature of man, the philosophy of beauty is the highest pinnacle of the philosophy of man; philosophically, it is a matter of subjectivity, scientifically, it is a matter of the psychological structure of culture."³³²

The 'aesthetic fever' of the 1980s was like this, treating beauty as a 'kingdom of freedom'. In fact, it denied the socio-historical nature of aesthetics and the class nature of aesthetics, and made literature and art retreat from the revolutionary struggle for reality, which was no longer a concern of literature and art since beauty was made the ultimate expression of the highest human values. In fact, this is a sign that the field of literature and art is becoming more and more detached from reality, on the one hand carrying bourgeois ideology, and on the other hand hiding its own nature, repeating the empty words of the 'essence of man'.

In the mid to late eighties, a "philosophy of subjectivity" gradually emerged, which was in fact a continuation of the "aesthetic fever" of the early eighties and a further theorisation of the humanitarian trend. The "philosophy of the subject" was a regression to Kantian philosophy with the help of Marx's concept of "practice". Under the guise of emphasising the subjectivity of the individual, it was in fact a promotion of bourgeois individualism, a return from class revolution to the individual. In fact, these philosophical trends are the philosophical summation and theoretical justification of the "humanitarian" trends of the 1980s.

In the context of the restoration of capitalism, the humanities all took a "subjective" turn and began to develop a trend of individualism, with literature and philosophy no longer having to serve the

³³² Li Zehou, 'Kant's Philosophy and the Outline of Establishing Subjectivity', in Li Zehou, *Selected Essays in Philosophical Aesthetics*, p. 162.

proletarian revolution or the proletariat, but rather becoming author-centred, i.e. intellectuals, effectively serving the bourgeoisie.

The ensuing 'poetic philosophy', represented by Liu Xiaofeng and Zhou Guoping, pushed the status of aesthetics to the extreme, and literature and art became the ultimate value in themselves, no longer needing to be called part of society as a whole, but part of the revolutionary cause. This led to the rise of the so-called "pure literature" in the field of literature, which was intended to eliminate political criticism of literature. The history of literature was also rewritten in such a way that the previous discussion of the class nature of literature was completely rejected and the history of literature began to be rewritten in the context of its own so-called development. This 'depoliticisation' was nothing more than a 're-politicisation', a cover-up of their bourgeois nature, a way of leading the masses away from politics and thus towards the unhindered restoration of capitalism and the maintenance of capitalist society. This is the difference between revolutionary literature and bourgeois literature. While revolutionary literature serves the proletariat consciously, bourgeois literature serves the bourgeoisie on the one hand, but on the other hand it has to be disguised by "depoliticisation".



(The cover of Liu Xiaofeng's book – Trans).

The essence of the so-called "humanitarianism" of the 1980s was precisely this individualism, which was a reaction to the collectivism and planned economy of socialism. Individualism is the ideological reflection of the atomisation of the individual in a capitalist market economy, and it has also contributed to the revival of bourgeois ideology in society, becoming a powerful source of ideological impetus and legitimacy for the restoration of capitalism.

2. "Modernist" Literature and "Roots" Literature

As the socio-historical analytical framework of historical materialism was abandoned, and de-classified modern and pre-modern narratives were promoted, a wave of enthusiasm for European and American 'modernism' of the twentieth century began to emerge in the field of literature and art. The so-called 'modernist' literature is a generic term for a series of literary genres that emerged in the first half of the 21st century, particularly around the time of the two world wars, after the decline of European and American capitalism towards monopoly in the late 19th century.

In literature, there is Expressionism, such as Kafka's *The Trial*; Existentialism, such as Camus' *The Outsiders*; American Beat Generation literature, such as Salinger's *The Catcher in the Rye*; and Absurdism, such as Beckett's *Waiting for Godot*. In art, there is Fauvism, such as Matisse's *The Woman in the Hat*; Cubism, such as Picasso's *The Maid of Avignon*; and Expressionism, such as Munch's *The Scream*. In music, rock 'n' roll and hippies were in full swing. In philosophy, post-modernist and post-structuralist philosophies were represented, such as Foucault.



The "modernists" had their roots in the fall of capitalism and the emergence of a large number of intellectuals, worker aristocrats and declining small business owners, and thus had a double relationship with the bourgeoisie, ". They "professed their extreme hatred of the bourgeois social order and the resulting modern civilisation", but "served to dissipate the revolutionary will of the people". The middle-class character of the "modernists" made "them dissatisfied with the capitalist social order but not trusting in the power of the people; caught in the middle of an increasingly violent class struggle, they felt they had no future, they were like rats in a burning house, dazed and blind. They are frightened, but they are still stubbornly trying to keep the dignity of 'I' intact".³³³ The Modernists thus presented a critique of the alienation of capitalist society, but this critique was only the desperate wail of the petty bourgeoisie, not an inspiration for proletarian revolution. "It is precisely because of this agnostic attitude towards reality, this denial of the laws of human social development, that the Modernists either escaped from reality, or portrayed it as a chaotic black mass, and wrote of man as a creature with only instinctive urges. Because they were egoists, they emphasised 'spiritual freedom', denied historical traditions, despised the masses and opposed collectivism. It is because they are agnostic pessimists and egoists that their approach to creation is 'irrational' formalism. As such, is not conducive to the emancipation movement of the working people and actually serves the bourgeoisie."³³⁴

During the socialist period, in order to keep abreast of Western literary trends and to avoid the negative impact of these spiritually decadent works on society, these literary works were introduced into China in the form of internal reference books, which could only be read by senior cadres and high-ranking intellectuals within the Party. However, many young intellectuals of bourgeois ideology, who admired European and American capitalism, borrowed these titles through their parents' connections and organised underground reading groups to write underground literature.

From the 1980s onwards, especially in the mid to late 1980s, 'modernist' literature and art became a craze in China. Since China as a whole was turning towards capitalism and intensifying its integration with international capitalism, it was only natural that literature and art would use contemporary Western thinking as a source of material for the 'new enlightenment'. In this context, the 'modernists' of the 1980s in China both preceded the development of Chinese capitalism and could not but reflect the characteristics of the time.

As a result of the economic restoration of capitalism, intellectuals took Western society as the archetype of "modernity" and "advancement" and introduced not only Western political and economic theories, but also "modernism". This decadent culture was worshipped as the highest stage of advanced culture and literary development. This literary school was admired by intellectuals because of its strong individualistic tendencies. Thus, following the Romantic turn at the turn of the 1970s and 1980s, the "modernists" were used by intellectuals to counter the revolutionary literature of the socialist period.

Of course, in the first half of the 1980s, when the idea of socialism had not completely receded, intellectuals adopted the strategy of "criticising the false consciousness of the content while absorbing the elements of the artistic approach that could be drawn on "³³⁵ in order to obtain the introduction of "modernism". legitimacy. In fact, in the mid-1980s, as China did not yet have the social basis for the emergence of Western "modernism", Chinese "modernist" literature and art was

³³³ Mao Dun: *'An Occasional Note on Night Reading'*, Collected Essays of Mao Dun Criticism (Vol. 2), Beijing: People's Publishing House, 1978.

³³⁴ Ibid.

³³⁵ He Wangxian, ed: *A Collection of Controversies on Modern Western Literature*, "Publication Note"



mainly concerned with the expression of decadent consciousness and the use of "modernist" techniques, in addition to expressing an accusation against the so-called 'tyranny' of socialism and a call for 'humanitarianism'. For example, Zong Pu's *Who Am I*, Wang Meng's *Butterfly*, and the *Misty Poems*.

In the late 1980s, as capitalism developed in China, a series of social problems, such as hyperinflation, began to emerge frequently. At this time, Yu Hua, Su Tong and other 'pioneering authors' also produced novels, and Chinese modernist literature began to mature, not only borrowing the expressions of the 'modernists', but also beginning to take on the connotations of the 'modernists'. "The modernist literature began to mature. However, this connotation was still extremely divorced from Chinese society in the 1980s, as it was not entirely based on Chinese society, but was an individualistic form of art introduced to counter the revolutionary literature and collectivism of the socialist period, when society was moving towards capitalist restoration and the West was used as a model for 'modernisation'.

Along with the "modernist" craze, a reactionary "root-seeking" literature has emerged that is formally "modernist". Han Shaogong writes in his "manifesto" for finding one's roots, "Literature has roots, and the roots of literature should be deeply rooted in the cultural soil of national traditions". It should be "based on reality and at the same time transcend the real world to reveal some of the mysteries that determine the development of the nation and the survival of humanity. The literature of the search for roots is mainly concerned with the expression of national cultures, as in the case of Ujertu, who writes about steppe culture, and regional cultures and folklore, as in the case of Lu Wenfu who writes about Suzhou culture. In addition to novels, there are also poems, such as Yang Lian's *The Big Wild Goose Pagoda* and *The Half Slope*; films, such as Zhang Yimou's *Red Sorghum* (*Left – Trans.*) and Chen Kaige's *Yellow Earth*; and music and art works. The literature of the search for one's roots broke out quickly and ended quickly. The rest of the wave, however, produced many mature works in the 1990s, such as Zhang Chengzhi's *A History of the Mind*, Mo Yan's *The Full Breasts*, Wang Yian's *The Long Hate Song*, and Han Shaogong's *Dictionary of the Horse Bridge*.



The literature of "roots" is a kind of cultural nationalism that emerged in the context of the restoration of capitalism in the 1980s, when China was under the impact of capitalist world culture and the "cultural fever". The rapid division of the socialist class as a whole in the capitalist restoration necessitated the construction of a 'national' cultural identity to conceal the reality of the division; at the same time China, as a relatively backward country, was strongly influenced by Western culture, but this culture, such as 'modernism', was ahead of its time. "The development of Chinese capitalism required the construction of a bourgeois culture that was closer to Chinese society. This was accompanied by the introduction of Hong Kong's nationalist culture, such as the television series *Huo Yuanjia* and *Shanghai Tang*, and the music *My Chinese Heart* and *The Dragon's Descendants*.

The socialist state is the state of the proletariat and the capitalist state is the state of the bourgeoisie, so there is no such thing as a class-neutral nation or state. The bourgeoisie used the

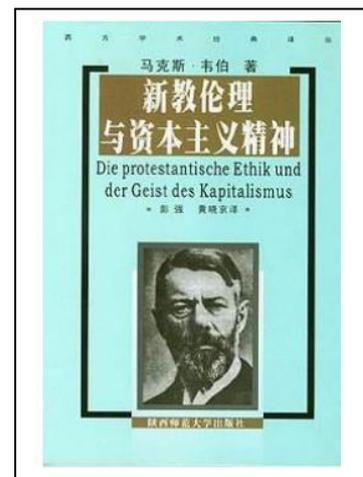
ideology of nationalism to conceal the class contradictions in the country on the one hand, and to legitimise imperialist aggression or to resist imperialism and develop national capital on the other.

The same applies to culture, whether national or global, which is at the service of which class. Unlike the socialist period when the revolutionary cause of the proletariat was the supreme principle of culture, the literature of the 'search for roots' tries to use the false community of the nation as a cover for the de facto social division, and to talk about national culture regardless of class, but in fact it borrows material from national culture to build a Chinese bourgeois culture and a national identity regardless of class. It is an outright bourgeois ideology.

3. "Cultural fever" and the "modernisation" narrative

With the Third Plenary Session of the Eleventh Central Committee calling for the focus to be placed on economic construction, modernisation gradually replaced proletarian revolution as the main focus of discussion in society as a whole. Modernisation was a de-classified and de-politicised term: socialist industrialisation, socialisation of agriculture, planned economy under public ownership and continued revolution under the dictatorship of the proletariat were socialist modernisation; capitalist market economy and dictatorship of the bourgeoisie were capitalist modernisation. The capitalists deliberately concealed the different modes of modernisation in order to carry out a bourgeois restoration in the name of modernisation.

In this context, intellectuals also saw culture as the most important condition for modernisation for reasons of self-interest. This view was underpinned by Max Weber's theory of modernisation, which saw the Protestant ethic not as the inevitable ideology of capitalist development, but as the fundamental driving force behind the development of capitalism in Western Europe, a historical idealism that was a favourite dream of the intellectuals. In this dreaming the peasants were brutally turned into proletarians by the enclosure movement, the workers were deeply oppressed and exploited, and the colonial countries were covered up by the bloody subjugation of the imperialist powers. Capitalist modernisation became a heroic epic, the heroes of which were cultural giants.



Such a theory of modernisation concealed the class nature of modernisation and provided legitimacy for the influx of bourgeois ideology into China. Since Western Europe was the model for modernisation, China had to learn from European politics, economics and culture if it was to achieve so-called 'modernisation'. And since Western Europe was a model for modernisation, thanks mainly to its bourgeois culture, China had to abandon its traditions, especially its feudal and socialist traditions, and absorb the so-called advanced culture of Western Europe. This was in fact a way of establishing the legitimacy of the restoration of capitalism in China.

Against this backdrop, the mid- to late-1980s saw a wave of 'cultural fever' in China. In addition to the "modernist" and "root-seeking" literature in the field of literature and art, the "poetic philosophy" in the field of aesthetics also gave rise to new interpretations of history in the fields of philosophy and history. Three schools of thought emerged in China in the 1980s around this reinterpretation of history.

The first is the editorial committee of the *Towards the Future* series, which is scientific in orientation and represents the theory of the "super-stable structure of feudal society", represented by the work *Behind the Appearances of History* by Jin Guantao and Liu Qingfeng (see below, right –



Trans). They draw on the systemic theory that emerged in the mid-twentieth century to describe feudal society in China and to explain the reasons for its long and stable existence in the country. In fact, in a seemingly objective scientific discourse, they criticise the socialist period, especially the Cultural Revolution, as a remnant of feudalism in China and as an extreme form of 'feudal fascism' and 'feudal superstition'. Moreover, this analysis sees the development of history as the development of structures on its own, with class struggles and revolutions being eliminated, so that only the contact of different structures can change the structures themselves. Since China's long-term stagnation was structural in nature, only by learning from the West, that is, from capitalism, could it overcome the backwardness of the middle seam.

The second is the editorial committee of *Culture: China and the World*, which has a culturalist orientation and is represented by the theory of the conflict between tradition and modernity, represented by Gan Yang's book *Several Issues in the Cultural Discussions of the 1980s*. They advocated the conflict between traditional and modern culture, in essence advocating total westernisation, and were the ideological representatives of the liberal school. For example, the book states that "the regional cultural differences between Chinese culture and Western culture are often highlighted indefinitely, thus obscuring the more substantial and fundamental issue of the cultural differences between ancient and modern Chinese culture, which must move from the traditional to the modern cultural form." In fact, the differences between feudal, capitalist and socialist cultures were completely concealed, with feudal and socialist cultures being summarised as traditional and capitalist cultures being 'depoliticised' as modern, thus concealing their nature as representatives of the bourgeoisie. Of course, the Westernisation faction was criticised in the 1980s because it endangered bureaucratic rule. But fundamentally, their interests were more the same than different from those of the capitalist-readers.

Thirdly, the editorial committee of the Chinese Cultural Institute, which opposed the revolutionary tendency, was represented by the theory that "salvation overwhelmed enlightenment", represented by Li Zehou's book *The Double Variation of Enlightenment and Salvation*. In his book, he argues that during the May Fourth period, China had two directions: one was to save the country and the other was a new culture of enlightenment, which eventually overwhelmed the enlightenment and led to the interruption of China's modernisation process. It is implied that the revolutionary course of the Chinese Communist Party actually pushed Chinese culture back to feudalism and that the proletarian revolution was the interruption of China's modernisation. In fact, it was the proletarian revolution that set China on the road to socialist modernisation, and the so-called interruption was the interruption of capitalist modernisation. Their argument is to deny the revolutionary cause of the Chinese proletariat and to shamelessly justify the restoration of capitalism.

This 'cultural fever' had a profound impact on later Chinese culture, as it shaped the conflict between revolution and modernisation, so that revolution was denied and even feared, and 'depoliticised' modernisation became the dominant academic discourse. In this way, capitalist modernisation became the unquestionable direction of historical development, the great proletarian revolution was vilified and spurned by academics, class divisions were concealed and history was completely falsified.

It can be seen that the three schools of thought of the so-called "cultural fever" are in essence all denying the proletarian revolution in China and the socialist modernisation of China. The concept of

modernisation was used to conceal the differences in the nature of different societies and to provide legitimacy and a reference template for the restoration of Chinese capitalism. Such a 'cultural fever', inspired by the capitalist movement in the context of the restoration of capitalism in China, became a powerful ideological driving force for the restoration of capitalism.

On the whole, Chinese culture in the 1980s, through "humanitarian thinking", "modernisation" narratives and historical "reflection", has completed the falsification and liquidation of the history of the Cultural Revolution. In this way, the Chinese culture was able to deny the revolutionary history of the Chinese proletariat and establish the irrefutable legitimacy of capitalist modernisation. "In a sense, one of the key features of the culture of the 1980s was the rejection of historical reflection in the name of historical reflection; as a successful discursive exercise, it achieved a considerable degree of social consensus: an unreserved 'farewell to the revolution'."³³⁶ The culture of the 1980s thus emerged from the capitalist restoration of Chinese society and, through the power of Western capitalist ideology, formed a Chinese bourgeois culture that advanced and ensured the process of capitalist restoration in China.

The capitalist-roaders' temporary policy of bribing the intellectuals encouraged their enthusiasm and at the same time gave them the illusion that they were victims of the "age of ignorance" and that they were the enlighteners and promoters of the new era. The intellectuals, from the scientific to the cultural sphere, were instantly elevated to an undeserved position and became the beneficiaries of the capitalist restoration. However, it was the three political conflicts with the government that gave the intellectuals the impression that they were the embodiment of justice against the government, when in fact they were merely the bureaucrats' guns for the capitalist restoration, and when the gun burst and injured its owner, the owner would naturally throw it away.

As the liberal intellectuals split from the bureaucracy and eventually led to the tragic events of 1989, intellectuals began to fall into confusion and despair. Under their idealistic view of history, many intellectuals saw it as a return to China's feudal traditions and saw themselves as heroes who had died defending the truth. They were unable to understand clearly the political economy of the tragedy and could not see the class positions of both sides of the struggle. In this way, the Chinese cultural scene was plunged into an atmosphere of loss.

³³⁶ Dai Jinhua, *Invisible Writing - A Study of Chinese Culture in the Nineties*, p. 45.

Section 4 The September 2nd Southern Tour Sets the Tone, Bureaucratic Monopoly Finally Established

I. Speeches on the Southern Tour

1. Governance and rectification led by the "birdcage economy school"

At the Fourth Plenary Session of the 13th Central Committee held from 23 to 24 June, the "liberals" including Zhao Ziyang and Hu Qili were removed from their posts and Jiang Zemin, a member of the "birdcage economy" faction, was elected General Secretary, while Song Ping and Li Ruihuan were elected to the Standing Committee of the Politburo. The "Birdcage Economy School" was in full swing.



(Above: New leader Jiang Zemin, 3r from right – Trans.)

An important aspect of the reorganisation in 1989 was political reorganisation, that is, a thorough crackdown on liberals inside and outside the system. Many pro-democracy activists in society, such as Wu Xiaobo, were arrested and the liberals and capitalists within the Party were purged from the Party. On 21 August, Jiang Zemin addressed the National Conference of Organisation Ministers and proposed that

"Seize the favourable opportunity to seriously carry out the investigation and purging work to ensure the purity of the Party team. This work should be given leadership attention, organised and implemented, with clear policies and steady steps. It should be prevented from going too far and not leave any problems behind."

"The document of this conference says that private entrepreneurs cannot join the Party. Our Party is the vanguard of the working class. If we allow people who do not renounce exploitation and live off it to join the Party, what kind of Party will be built?"³³⁷

Here, in effect, the aim was to strengthen the dictatorship of the bureaucratic bourgeoisie and to prevent private capital and its political and ideological representatives from usurping bureaucratic power. Such a move prevented the liberals from regaining strength for a long time, and the subsequent reforms allowed private capital to reap economic benefits while gradually merging politically with bureaucratic capital, and the continued suppression of social activists who continued the pro-democracy movement.

³³⁷ Central Documentary Research Office: *Selected Important Documents since the 13th Party Congress*, Vol 2.

The economic consolidation continued after the failure of the price "breakthrough". The first step was to crack down on official business and clean up the companies. After the Fourth Plenary Session of the Central Committee, the Central Government proposed to clean up government-run companies and stop the children of cadres from engaging in business. On the one hand, this helped to bring the economy back under the control of the bureaucrats, and on the other hand, to stabilise society.

The most severe was still the rectification of private enterprises, while weakening their status. Jiang Zemin proposed at a meeting of the Organization Department's governors in relation to private enterprises that broke the law "As for individual and private entrepreneurs, they should be strictly managed according to the law and we should crack down hard on the unlawful acts of some people." "The individual and private economy can only be a supplement to the public economy, picking up the pieces and filling in the gaps, not putting the cart before the horse, and not emphasizing the individual and private economy to an inappropriate status."³³⁸ At this time, bureaucrats relied heavily on state-owned enterprises to control society, so this effectively reinforced bureaucratic dominance of the economy.

Under such rectification, the development of private enterprises had indeed slowed down. At the end of 1989, there were 90,581 registered private enterprises, employing 164,051 people and with a registered capital of 8,477,600,000 yuan. By the end of June 1990, however, the number of private enterprises had fallen to 88,000, only to rise to 98,000 by the end of the year. By the end of 1991, the pace of private enterprise development was still below the 1987 level.

It also strengthened the management and planning of state-owned enterprises and withdrew some of the devolved powers. Jiang Zemin said.

"In the past, it was stressed that the director could decide to appoint cadres, and if this plant director was a politically competent director, when appointing cadres, he had to discuss it well with the party secretary at the party committee level, not that he alone had the say. It would be a misconception to think that the director is responsible for the system, meaning that the plant manager appoints whoever he wishes."³³⁹

On 9 November, the Decision of the Fifth Plenary Session was adopted, pointing out the problems with the previous reforms.

"Since the Third Plenary Session of the Eleventh Central Committee, the Party Central Committee and the State Council, in the course of implementing the correct lines, guidelines and policies, have also made mistakes in the specific guidance of economic construction and reform and opening up. Since the second half of 1984, China has been experiencing economic overheating, excessive currency issuance and over-distribution of national income, but the Party Central Committee and the State Council have failed to take decisive measures to solve the problems at the right time. In the course of reforming the over-unified and over-regulated economic system, the need for proper centralisation was overlooked; while emphasising micro-activism, comprehensive balance and enhanced macro-control were neglected. Lacking a comprehensive and profound understanding of the national situation

³³⁸ Central Documentary Research Office: *Selected Important Documents since the Thirteenth Party Congress*, Vol. 2

³³⁹ *Ibid.*

and a sober estimate of national strength, there was a bias towards haste in both construction and reform."³⁴⁰

This was in fact a criticism by the "birdcage economists" of the reforms led by the "market economists" and "liberals", who argued that it would take "three years or more to basically complete the task of rectification" and that "the policy of long-term sustainable, stable and coordinated economic development must always be adhered to, both during and after the completion of rectification".³⁴¹

Specific measures included, firstly, controlling social demand and insisting on a double tightening of finance and credit; secondly, controlling private township enterprises to prevent them from competing with state-owned enterprises for resources and vigorously developing state-owned enterprises; thirdly, strengthening planning control over prices; and fourthly, centralising finance and increasing the scope for unified distribution of goods by the state. All these measures were intended to return the economy to the path of a 'birdcage economy', where the economy was controlled by means of state planning.

The establishment of a capitalist market economy was thus temporarily suspended and the ideas of the "market economy school" could not be implemented. In 1990, GDP rose by 5.1 per cent, up from the previous year, while retail prices rose by 3.1 per cent, down sharply from the previous year and hyperinflation was contained. In 1991, GNP rose by 7 per cent, another increase over the previous year; however, losses of state-owned enterprises rose by 10.6 per cent over the previous year.³⁴²

In such an economic situation, the "market economy school" is bound to fight for the right to lead economic development, to carry out reforms in accordance with its own goals, and to build a bureaucratically monopolised capitalist market economy in China. The economic model desired by the "birdcage economists" is in fact a transitional form of socialist restoration to capitalism, which cannot be sustained for long with the development of private capital, the capitalisation of state enterprises and the expansion of markets.

2. "Huang Fuping" and the debate over "surnamed 'capitalism' or surnamed 'socialism'"

As the "liberals" were being attacked and economic development was gradually dominated by the "birdcage economy", the debate between the "birdcage economists" and the "market economists" also continued to heat up.

In November 1989, the Development Research Centre of the State Council was informed that Deng Liqun had been commissioned by the Party Central Committee to summarise the lessons learned from the seventy days before and after the political turmoil of 1989. Wu Jinglian participated in some of the discussions at the meeting and a debate broke out between him and Xu Yi, the former director of the Institute of Fiscal Science of the Ministry of Finance.

Xu Yi said: "What should have been a "planned orientation" was instead a "market orientation", leading to all kinds of problems. Following Xu Yi's speech, Wu Jinglian said that he could not agree with his attribution of these negative phenomena to market-oriented reforms. Wu Jinglian said that on the contrary, the problem lies in the failure to promote market-oriented reforms: in terms of development strategies, various means continue to be used to support high growth rates; in terms

³⁴⁰ Ibid.

³⁴¹ Ibid.

³⁴² Liu Guoguang, ed. *A Study of China's Ten Five-Year Plans*.

of reforms, instead of expanding the role of the market, the role is to "devolve power and allow profits" and "mobilise enthusiasm".

Soon afterwards, the Beijing magazine *Contemporary Thought* published an article entitled "*Guiding and regulating reform and opening up with the four basic principles*" in issue 1 of 1990. The article said:

"If the private and individual economy is allowed to develop freely, it will impact on the socialist economy. The article goes on to point out that some people are trying to transform our socialist system into a capitalist system through reform and opening up, precisely through the development of the private economy."

Subsequently, the magazine *The Quest for Truth* published successive articles such as "*Class Struggle in Socialist Society is an Objective Existence*", "*The Strategy of 'Peaceful Evolution' and the Economy*", and "*Reintroducing the 'Surname of Socialism' and 'Surname of Capitalism'*". These articles pointed the finger of opposition to peaceful evolution and bourgeois liberalisation in the economic sphere and at the private economy and other non-public economies. This showed the vigilance of the "birdcage economists" against the possible loss of bureaucratic power in market-oriented reforms.

At a symposium on economic issues convened by the Central Committee of the Communist Party of China on 5 July 1990, the two schools of economists again engaged in a heated exchange of views. The "birdcage economists" criticised the method of "the state regulating the market and the market guiding the enterprises" and the "marketisation" together with "privatisation" as "bourgeois liberalisation". "This was a criticism of the "bourgeois liberalisation", which essentially pointed out the social basis of the liberals. Xue Muqiao criticised the "planning orientation" and after the meeting wrote to the Central Committee advocating market economy reform. In response to this, Deng Xiaoping said that he did not see any problem with the phrase "the state regulates the market and the market guides enterprises" and stressed that "not a single word of the political report of the 13th National Congress should be changed".

At this time, the June Fourth Incident had just ended, and the dramatic changes in the Soviet Union had aroused the vigilance of the bureaucrats. There was a wave of opposition to peaceful evolution, a crackdown on bourgeois liberalisation, and a debate on the "capitalist surname and socialist surname" of reform and opening up. "The special economic zones were accused of being a hotbed of peaceful evolution, the pilot shareholding reform was accused of privatisation, the contracting of enterprises was accused of dismantling the public economy, and the introduction of foreign capital was accused of being a willing subordinate of the foreign bourgeoisie."³⁴³ Under these circumstances, the "market economy school", 'The Beginning and End of the Debate on Capital or Society'. nomy school" was almost completely suppressed by the "birdcage economy school" and their ideas for the establishment of a market economy could not be implemented.

At the end of 1990, on the eve of the Seventh Plenary Session of the 13th Party Central Committee, Deng Xiaoping summoned several leaders of the Central Committee for a talk, proposing that "we should seize the opportunity to solve our development problems" and stressing that "we should not be afraid to take risks". "The more we move forward with reform and opening up, the stronger our ability to take and resist risks will be". "The distinction between capitalism and socialism is not a matter of whether it is planned or market. There is also a market economy in socialism and planned

³⁴³ Zhou Ruijin, '*The Beginning and End of the Debate on Being Surnamed Capitalism or Surnamed Socialism*'.

control in capitalism", "Don't think that a market economy is a capitalist road. There is no such thing. Both plans and markets are necessary."³⁴⁴

From 28 January to 18 February 1991, Deng Xiaoping went to Shanghai for the Chinese New Year. This time he went out frequently to inspect factories and visit enterprises, listened to a report on the development of Pudong in the revolving restaurant of the New Jinjiang Hotel, and made a series of remarks.

"Don't think that a planned economy is socialism and a market economy is capitalism, but both are tools and the market can also serve socialism. If we're not determined to open up, it won't do, and there are still many obstacles standing in our way. It is not good to say that the 'three capitalist' enterprises are not a national economy and that we are afraid of their development. It is very difficult to develop an economy without opening up. All countries in the world have to be open in their economic development. Western countries are integrating and exchanging capital and technology with each other. Shanghai people are a little more liberated, a little more daring and a little faster."

Immediately afterwards, the local "market economy faction" responded. On 15 February, the first day of the first month, Zhou Ruijin (*Right – Trans.*) and others from Shanghai's Jiefang Daily published a commentary on the front page of Jiefang Daily, signed by Huang Fuping: "*Be the 'leading sheep' of reform and opening up*". The article suggested that "1991 is the year of reform", that "the only solution to our worries is reform", that "we must raise the banner of reform and opening up even higher", and that "we must further liberate our minds and open up the world. "We must further emancipate our minds and use reform and opening up throughout the year to oversee the whole situation", all of which were direct quotations from Zhu Rongji, then Secretary of the Shanghai Municipal Committee and Mayor.



On 2 March 1991, the second "Huang Fuping" article, "*New Ideas for Reform and Opening Up*", was published. "Planning and the market are only two means and forms of resource allocation, not a marker for dividing socialism and capitalism. Some comrades have always been accustomed to equate planned economy with socialist economy and market economy with capitalism, believing that the ghost of capitalism must be hidden behind market regulation. Under the new situation of deepening reform and expanding openness, we should prevent ourselves from falling into a certain 'new ideological stagnation', which manifests itself in equating the development of socialist markets with capitalism, and in equating the use of foreign capital with self-reliance, and opposing deepening reform with governance and rectification."

On 22 March, the third Huang Fuping article, '*A stronger sense of openness*', was published.

"To strengthen the consciousness of expanding openness requires us to further emancipate our minds and abandon any notion of conservatism, stagnation and closure to form an open soft environment that is commensurate with that of an advanced international city.... Develop Pudong, set up a free trade zone, and implement freedom of entry, the exemption of export tax and other special policies with a free port nature. For this kind of attempt to

³⁴⁴ Deng Xiaoping: *Selected Writings of Deng Xiaoping (vol. 3)*, Beijing: People's Publishing House, p. 367.

create a 'socialist Hong Kong', if we are still confined to the question of 'socialism' or 'capitalism', then we will only miss the opportunity."

On 12 April, the fourth "Huang Fuping" article was published: "*Reform and opening up requires a large number of cadres with both virtue and talent*".

"If the mouth can speak and the body can act, it is a national treasure. Those who rule the state respect its treasures, love its tools, put them to use, and get rid of its demons. Those 'national demons', two-faced and fence-sitters who speak good words but act evil, must not be allowed to enter our cadre."

"Huangfu Ping's" article actually represents the thinking of the "market economy school" and is a direct shot at the "birdcage economy school". The basic idea is to set up a market economy and to communicate completely with international capitalism. After the article was published, it aroused strong controversy.

The "birdcage economists" immediately counterattacked. The article "*Can reform and opening up be carried out without asking whether the surname is "socialism" or "capitalism"?*" was published in Contemporary Thought, No. 2, 1991. The article emphasised that "not asking the surname of 'socialism' and 'capitalism' will inevitably lead the reform and opening up to the capitalist road and bury the socialist cause". Subsequently, in the article "*Reiterating the surname of "socialism" and "capitalism"*" published in The Pursuit of Truth, No. 7, 1991, it was pointed out that "all Chinese people who do not want to be double slaves have the responsibility and right to move forward on the road of reform. When moving forward on the road of reform, they have the responsibility and the right to ask about the surname of 'socialism' and 'capitalism', and always be careful not to deviate from the direction of reform". At the same time, Theoretical Front of Colleges and Universities also published an article entitled "*Asking whether the surname is "socialism" or "capitalism"*" in No. 3 in 1991, pointing out that "the implementation of reform and opening up must distinguish between the surname of 'socialism' and 'capitalism'".

Of course, as mentioned earlier, the "birdcage economists" were not really in favour of socialism. They were only using the questioning of the surname of capitalism and the surname of socialism to oppose further market reforms in order to avoid the loss of the economic basis of bureaucratic rule in a market economy, and thus the loss of control over society. In essence, they were still in the position of the bureaucratic bourgeoisie, but they wanted to stay in a transitional state of capitalist restoration.

On 4 July 1991, a symposium on "Some Important Theoretical Issues in the Current Economic Field" was held under the auspices of Liu Guoguang in the Economic Section of the Chinese Academy of Social Sciences, and the liberal intellectuals struck back again. Wu Jinglian said:

"In terms of the overall situation and strategy, we must ensure the socialist direction of China's overall economic development. In terms of specific issues, we should not be caught in the cross-examination of whether it is 'surname socialism or surnamed capitalism'. The opening up of the country to the outside world has used some practices common to socialised mass production, but if the question is 'socialist or capitalist', these practices cannot be used anymore. If this is the case, it will fundamentally hinder the prosperity of the socialist economy, or even destroy it."

Against the backdrop of the consolidation at that time, the rhetoric of the "birdcage economists" dominated, and the "market economists" were still unable to convince the majority of people to

continue with the capitalist market economy. But since they were determined to continue with the restoration, they would not compromise easily.

3. Deng Xiaoping's Southern Tour and the 14th Communist Party Congress



From 18 January to 21 February 1992, in the face of unsuccessful arguments, Deng Xiaoping and his family, together with Yang Shangkun, Vice Chairman of the Military Commission, embarked on a "southern tour", visiting Wuchang, Shenzhen, Zhuhai and Shanghai, delivering speeches that demonstrated his determination to firmly implement a capitalist market economy and to break with the "birdcage economy".

"The reform and opening up cannot take a step forward and does not dare to make a breakthrough, because, after all, we are afraid that there will be more capitalist things and we will take the capitalist road. The crux of the matter is the question of whether the surname is 'capitalism' or 'socialism'. The criterion for judgment should be whether it is conducive to the development of the productive forces of socialist society, whether it is conducive to strengthening the comprehensive national strength of a socialist country, and whether it is conducive to raising the living standards of the people."

"The essence of socialism is to liberate the productive forces, develop them, eradicate exploitation, eliminate polarization and ultimately achieve common prosperity. Whether there is more planning or more market is not the essential difference between socialism and capitalism. Planned economy is not the same as socialism, capitalism also has plans; market economy is not the same as capitalism, socialism also has markets. Both planning and the market are economic instruments."

"For a large developing country like ours, the economy has to develop faster and it cannot always be so calm and steady. We have to pay attention to stable and coordinated economic development, but stability and coordination are also relative, not absolute."

"Nowadays, there are things from the right that influence us and things from the 'left' that influence us, but it is the 'left' that is deeply rooted. Some theorists and politicians, who scare people with their big hats, are not right, but 'left'. The 'left' has revolutionary overtones, as if the more 'left' the more revolutionary. The 'left' is a terrible thing in the history of our Party! A good thing has been ruined by it in one fell swoop. The right can bury socialism, and so can the 'left'. China must be vigilant against the right, but the main thing is to prevent the 'left'.

Deng Xiaoping distorted socialism and used the development of the productive forces as the legitimacy for the restoration of capitalism, pointing the finger at the "birdcage economists". Of

course, his sophistry was unlikely to convince the "birdcage economists" and it was the machinery of violence that had to do the job at the critical moment. Yang Shangkun, Vice-Chairman of the Military Commission, declared that "the PLA will defend the reform and opening up", as if he wanted to use the bourgeois dictatorship machine. Under these circumstances, Jiang Zemin compromised; Li Peng resigned, and as Li Peng had signed a martial law decree to suppress the school movement, he was granted a long "leave of absence" to avoid the "liberal faction" being encouraged. "Vice-Premier Zhu Rongji began to act as Premier.

The "birdcage economy" was completely defeated, and the ultimate goal of reform and opening up became clear: to establish a capitalist market economy with a bureaucratic monopoly, and the next reforms were merely to establish the corresponding institutional guarantees. Since the "birdcage economy" represented a state of renewal in the process of capitalist restoration, it was impossible to control the direction of social development in a sustainable manner. While the system of bureaucratic monopoly capitalism was not yet well established and new methods of social control by the bureaucratic bourgeoisie had not yet been found, the "birdcage economy" would sometimes dominate social development, but it would eventually be eliminated by history.

Those who praised the Chinese society of 1978-1984 in fact just did not understand that once the wheels of capitalist restoration were set in motion, it was impossible to remain in a "birdcage" and that, with the proletariat out of power, the transitional state could only move very quickly towards complete bureaucratic monopoly capitalism.

From 12 October to 18 October, the 14th National Congress was held. Yao Yilin and Song Ping of the "birdcage economy school" all retired from the stage of history, while Qiao Shi, Zhu Rongji and Hu Jintao of the "market economy school" were elected to the Standing Committee, thus removing the forces that hindered the market economy from the organisation. In his speech, Jiang Zemin's said:

"The socialist market economy system we want to establish is to enable the market to play a fundamental role in the allocation of resources under the macro-control of the socialist state, so that economic activities follow the requirements of the law of value and adapt to changes in supply and demand; through the function of price leverage and the competition mechanism, resources are allocated to the more efficient segments, and pressure and incentives are given to enterprises to achieve the elimination of winners and losers. At the same time, we must recognise that the market has its own weaknesses and negative aspects, and that we must strengthen and improve the state's macroeconomic control. We must vigorously develop a unified national market, further expand the role of the market and, in accordance with the requirements of objective law, use economic policy, economic regulations, planning guidance and the necessary administrative management to guide the healthy development of the market."³⁴⁵

In this way, the market economy was thoroughly established. The specific measures were:

"Convert the operating mechanisms of state-owned enterprises, especially large and medium-sized enterprises, and push them into the market"; "accelerate the cultivation of the market system. We will continue to vigorously develop the commodity market, especially the market for production materials, actively cultivate the financial market, including bonds, stocks and other marketable securities, and develop the markets for technology, labour, information and real estate, so as to form a unified and open market system throughout the country as soon as possible". "The government and enterprises are

³⁴⁵ Central Documentary Research Office: *Selected Important Documents since the 14th Party Congress, Vol 1*

to be separated. Governments at all levels should refrain from interfering with the powers and functions of enterprises as provided for by state decree"; "further expand openness to the outside world".³⁴⁶

In fact, the main measures were, firstly, to stop managing SOEs in a planned manner, to make them operate in a capitalist manner, to orient their production towards the market and to be oriented towards capital accumulation, and to formally transform them into the capital of the state bureaucratic capital group, while being self-financing, which directly led to the closure of a large number of non-strategic SOEs; secondly, to establish a capitalist market economy, with the market guiding production, mainly by abolishing the double-track system of prices, with all but important goods being priced according to the market.

Under such reforms, in 1992, investment in fixed assets increased by 44.4% over the previous year, currency issuance exceeded 100 billion for the first time, and gross national product increased by 14.1%. The economy was already overheated. In the first half of 1993, various indicators reached new highs: the growth rate of industrial added value reached 30.2%, the investment in fixed assets increased by 61.8%, and the annual gross domestic product increased by 13.1%.

At the same time, prices began to rise rapidly and inflation began to appear: in 1992, the national urban consumer price index rose by 8.6 per cent over the previous year; in June 1993, the retail price index rose by 13.9 per cent over the same period in 1992, reaching 17.3 per cent in December and as high as 25.2 per cent in October 1994. The overheating of the economy was already quite evident, and prices were rising at a higher rate than in 1988, when the price crisis led to a buying spree. By this time, workers were already buying basic necessities such as food and oil.

The fiscal deficit also widened further, with national revenue of 350 billion yuan in 1992, of which central revenue was 100 billion yuan and local revenue was 250 billion yuan, and central expenditure was 200 billion yuan, leaving a deficit of 100 billion yuan.

In such an economic situation, the logic of the 1980s would have been to re-tighten the programmes. However, since the "market economy" had made up its mind to break with the "birdcage economy" and to achieve a complete capitalist market economy, it had to find new ways of controlling society. Thus began a new round of institutional reforms.

2. The final establishment of bureaucratic monopoly capitalism

1. The establishment of bureaucratic monopoly capitalism

By 1993, the central government was already struggling financially, so the first major reform under Zhu Rongji's leadership was fiscal reform, that is, the tax-sharing system, which changed the ratio of central to local revenues. This increased the central government's revenue, thus making fiscal allocations the first means by which the bureaucratic monopoly bourgeoisie could control society. At the same time, as local finances were weakened, the peasants became the worst victims of the exploitation at local levels.

In July 1993, Zhu Rongji delivered a speech on "*Rectifying the fiscal order and speeding up fiscal and tax reform*".

"What does a tax-sharing system mean? It means that in the fiscal system, there is no longer any lump sum or share, but a division of the central and local revenues according to tax

³⁴⁶ Central Documentary Research Office: *Selected Important Documents since the 14th Party Congress, Vol 1*

types, which taxes the central government collects and which taxes the local government collects."

However, such a reform was bound to be resisted by local governments, and when the governors' meetings were unsuccessful, Zhu Rongji chose to break them down one by one. For more than two months, from 9 September to 21 November 1993, he led a team of more than 60 people to fly to 17 provinces, cities and autonomous regions to explain the tax-sharing scheme. After bargaining, they finally compromised with each other.

The changes before and after the introduction of the tax-sharing system can be roughly summarised as follows: before 1994, the central government took 30% of the fiscal revenue and the localities took 70%, while fiscal expenditure was reversed, with the central government taking 70% and the localities taking 30%; after 1994, the central government could nominally receive more than 60%, or even 70%. By the time Zhu Rongji left office in 2003, the tax sharing system had been in place for ten years, and the fiscal coffers had grown from 434.9 billion yuan to 21715 billion yuan, a nearly fivefold increase. The central government thus had a huge amount of revenue and became an overwhelmingly dominant capitalist group, able to control the economy through fiscal allocations and to solve the problem of overheated basic investment or, later, overproduction.

As a result of the abolition of workers' democracy and bureaucratic dictatorship in SOEs, workers' motivation to produce declined; at the same time, bureaucrats were corrupt and hollowed out the "big factories" of the state to fatten their own "small factories". The second major reform is the restructuring of SOEs, which allows them to be completely self-sustaining and bankrupt, thus "shaking off their burdens".

The central government only controls more than 100 strategic central enterprises in the fields of finance, energy, transport, construction, chemicals, telecommunications, etc. It uses these strategic central enterprises, i.e. state-owned monopoly capital, to control society. Non-strategic ones are responsible for their own profits and losses, and they can be sold if they lose, or they can be sold if they are not at a loss. In short, they are not important to the national economy and can be abandoned to reduce the financial and administrative burden. At the same time, state enterprises were to be completely oriented towards market production and capital accumulation, and completely transformed into bureaucratic capitalist groups.

When Zhu Rongji inspected Shougang (*the Capital Iron and Steel Works – Trans.*) in 1992, he said,

"The successful experience of Shougang has given us an inspiration: as long as enterprises, especially state-run large and medium-sized enterprises, are allowed to operate independently, so that they can have a mechanism for self-sufficiency and risk, and instead of spending the state's money, the enterprises can spend their own money, so that one money can be used for two. this should create conditions to enable enterprises to operate autonomously, be self-sustaining, self-restraining and self-developing, instead of having government departments use administrative intervention to make production and business decisions in place of enterprises."

In 1993, the Third Plenary Session of the 14th Central Committee issued the *Resolution on Several Issues Concerning the Establishment of a Socialist Market Economic System*, which clearly stated that the direction of reform of state-owned enterprises was to establish a modern enterprise system, separate the government from the enterprises, reform the shareholding system and make them self-financing.

At the same time, workers were completely reduced to hired labour. In 1993, enterprises were given the autonomy to employ workers, and they decided on their own to recruit workers under the macroeconomic control of the total wage bill, and no longer had to go to the Bureau of Labour Affairs for approval of recruitment plans. The number of employees on contractual labour terms in state-owned entities surged from 20.59 million in 1992 to 55.49 million in 1996. In the process of signing the contract, the leaders initially told the workers that it was just a "formality" and that signing the contract was sufficient. At the end of the 1990s, the signed contracts began to take effect, and the leaders announced that "the old people would do things the old way and the new people would do things the new way", and the contract workers were then dumbfounded.

In September 1997, Zhu Rongji said in a speech at the Central Economic Work Conference, "In order to really improve state-owned enterprises and get them out of trouble, the most important thing is, firstly, to restructure them and not to engage in duplicate construction. Secondly, don't start projects without capital, and thirdly, reduce the number of employees, as state-owned enterprises cannot be run well without reducing the number of employees."

From 1992 to 2002, the number of workers laid off each year increased from 2.5 million in 1992 to 11.51 million in 1997 and then declined to 6.18 million in 2002, for a cumulative total of 76.01 million layoffs (this figure should include workers who retired during this period).³⁴⁷

At the same time, a large number of non-strategic state-owned enterprises were sold at low prices to related parties or to the factory directors themselves, and those who could not afford to buy them were given loans by the banks, which were repaid when profits were made. In 2002, the proportion of people in charge of enterprises, the last occupation of private owners before they started their businesses, rose from 15.4 per cent in 1993 to 55.4 per cent, while the proportion of ordinary workers and farmers fell from 36.2 per cent to 6.7 per cent. 72.7 per cent of private owners in 2002 were cadres, State enterprise contractors (equivalent to branch factory directors), and enterprise salespeople. Of the 3 million private enterprises in 2002, 18.3 per cent were restructured from state or collective enterprises, 6.3 per cent had already merged with or acquired state enterprises, and 10.2 per cent were preparing to merge with or acquire state enterprises, totalling 35 per cent.

In this feast, not only were inefficient SOEs privatised, but many very efficient SOEs were also privatised, and many of the private companies that bought SOEs were much less efficient than the SOEs, as in the case of Jianlong Group's acquisition of Tonggang in 2007. In fact, this campaign to divide up state-owned enterprises filled the pockets of capitalists and got rid of the baggage of bureaucratic capital, and the two merged to become co-participants in the feast. The movement was so vast that it lasted until the time of Hu-Wen. (*This refers to General Secretary Hu Jintao and Premier Wen Jiabao – Trans.*)

In this way, the huge wealth that the Chinese working class had built up with nothing but hard work for over 40 years was stolen by the bourgeoisie, and workers were reduced to wage labour, and tens of millions of workers were denied even the opportunity to work as domestic labour. On 15 March 2002, Zhu Rongji said at a press conference that the problem of state-owned enterprises had been "solved".

³⁴⁷ Liu Aiyu and Wang Peijie, 'Analysis of the action choices of laid-off and unemployed workers: A survey in Xiamen City as an example', in *Journal of the Party School of the CPC Fujian Provincial Committee*, 2005, no. 4. No. 4.

"Most of the large and medium-sized loss-making state-owned enterprises have turned their losses into profits within three years, a goal that has been largely achieved. Without the taxes paid by these state-owned enterprises, China's fiscal revenues would not be in such a good position and would not be increasing at more than double the rate of GDP growth every year."

State-owned enterprises were no longer the burden of the bureaucratic monopoly capitalist class, because those who were burdened and had no strategic position would be left behind, and those with strategic positions would be firmly grasped by the bureaucracy to control society. In 2004, on 20 October, the State-owned Assets Supervision and Administration Commission (SASAC) was established as the unified majority shareholder of state capital and the state monopoly capital group became the world's largest monopoly conglomerate, as well as the one holding state power.

The third is financial reform. During the period of socialist construction, finance was subordinated to material production, and Mao Zedong pointed out that "the State Bank should issue money basically in accordance with the needs of national economic development". In a socialist society, social production needs to be planned and proportional, and banks are a tool in the hands of the state to allocate resources according to plan. In socialist China, interest-bearing capital in the form of stocks, bonds and insurance was eliminated and interest on deposits and loans was retained only to a certain extent. From 1953 onwards, a centralised and unified system of integrated credit planning and management was established, with the People's Bank of China having unified control over the funds and implementing the "unified deposit and lending" management method, with bank credit plans incorporated into the state plan. For long-term funds and liquidity within a fixed amount, no interest was charged, and they were allocated by the treasury in accordance with the state plan, mainly for the renewal of fixed assets; for liquidity in excess of a fixed amount for industry and commerce, interest was charged and banks lent them. Banks were no longer at the heart of the economy, but only performed bookkeeping, accounting and reconciliation functions.

In 1978, Deng Xiaoping pointed out that "banks should focus on the economy", that "banks should be used as a lever for economic development and technological innovation", and that "financial reform should be carried out with greater strides". In January 1979, the Agricultural Bank was first restored, and the Rural Credit Union was incorporated into the management of the Agricultural Bank of China, focusing on "supporting the development of commodity production". After 1984, the loans were mainly granted to township enterprises, rural professional households and contracted households, and facilitated access to initial capital for the rural private sector.

In March 1979, the Bank of China was reformed to become a specialised foreign exchange bank, and the State Administration of Foreign Exchange was established. In September 1983, the State Council decided that the People's Bank of China would exercise the functions of a central bank, study and implement national financial macroeconomic decisions, control the total amount of credit, regulate financial institutions' funds and maintain monetary stability. At the same time, the Industrial and Commercial Bank of China (ICBC) was established, and the industrial and commercial credit and savings business previously undertaken by the People's Bank of China was transferred to ICBC. The role of the administrative organ of "accounting, calculation and supervision" was changed, an interest-bearing capital system based on loan operations was gradually established and the basic framework of the central banking system was initially set up.

In 1983, the banking system began to implement the "full profit retention system", linking the assessment of various indicators to the profit retention, with professional banks aiming to make profits. In 1985, the People's Bank issued a policy that professional banks could crossover their

businesses and that "banks could choose their enterprises and enterprises could choose their banks", encouraging moderate competition among the four professional banks and breaking the "supply system" of "unified collection and centralisation" of bank funds. In 1987, the "three rates" were approved³⁴⁸ and the "six powers"³⁴⁹ were delegated to promote the corporatisation of specialised banks. From 1986 onwards, a number of new commercial banks were established, breaking the division of labour and geographical patterns. The banks were no longer the accountants of the Ministry of Finance under the planned economy, but rather independent interest-bearing capital that became the core of the capitalist economy, dominating industry and commerce.

The relationship between banks and enterprises changed markedly; in 1983, the working capital of state-owned enterprises was financed by bank loans within their quotas. From 1985 onwards, the "conversion of allocations into loans" was fully implemented, and capital construction investments were arranged within the state budget in the form of loans. On the one hand, it dismantled the unified accumulation of national capital in the planned economy and provided funds for free through finance; on the other hand, it revived interest-bearing capital, making banks the rulers of society and mastering the creditor's rights of state-owned enterprises.

In 1993, in accordance with the State Council's Decision on Financial System Reform, the People's Bank of China further strengthened its responsibilities for financial regulation and control, financial supervision and financial services, transferred its policy and commercial banking operations, and completed the commercialisation of professional banks. In March 1995, the People's Bank of China Law was promulgated, establishing the People's Bank as the central bank through legislation. 1997, with the approval of the State Council, the People's Bank of China established the Monetary Policy Committee, strengthening its financial regulation and control capabilities. 1998 saw a major restructuring of the Bank's branches, with nine major branches and 21 local supervisory offices set up across the region. The central bank regulates the economy through leverage, interest rate adjustments and currency issuance, while regulating commercial banks.

On 27 December 2003, the amended People's Bank Law was formally voted on at the sixth meeting of the Standing Committee of the 10th National People's Congress, strengthening the functions of the People's Bank in formulating and implementing monetary policies and carrying out macroeconomic regulation and control, and clearly stipulating its responsibility to "prevent and resolve financial risks and maintain financial stability". A financial system was established with the Central Bank as the leader, various commercial banks as the mainstay, and a variety of financial institutions co-existing and collaborating.

Apart from banks, insurance was also a form of interest-bearing capital. In April 1979, the State Council transmitted and approved the Minutes of the National Conference of Branch Governors of the People's Bank of China, deciding to gradually resume insurance business and establish insurance companies. In 1980, the People's Insurance Company of China (PICC) resumed handling domestic business, and businesses such as enterprise property insurance, cargo transportation insurance and transportation vehicle insurance, household property insurance, various types of property insurance in rural areas, breeding insurance, and personal insurance were launched one after another. After 1993, PICC completed the separation of property insurance, life insurance and reinsurance business

³⁴⁸ This is the ratio of the cost ratio, the combined expense ratio, the profit retention and the supplementary credit fund or insurance working capital.

³⁴⁹ In other words, it has the autonomy to operate its business, the right to deploy credit funds, the right to fluctuate interest rates and tariffs, the right to set up internal organisations, the right to dispose of retained profits, the right to appoint and dismiss middle-level cadres, and the right to recruit, reward and punish staff.

and reorganised itself into PICC Insurance (Group) Company, with three subsidiaries under PICC Property Insurance Company, PICC Life Insurance Company and PICC Reinsurance Company; Pacific Insurance Company was delinked from the Bank of Communications and transformed into an independent joint-stock commercial insurance company. At the same time, the People's Bank of China also approved the establishment of a number of new joint-stock insurance companies, including Volkswagen, Tianan, Huatai, Yongan, Hua'an, Tai Kang and Xinhua. The capitalist insurance industry flourished with the aim of extracting wealth from society.

The securities market has also gradually recovered. In 1981, the Ministry of Finance issued treasury bills for the first time, which opened the prelude to the development of the securities market in the new era. In September 1986, Jing'an Securities Business Department of Industrial and Commercial Bank of China Shanghai Trust and Investment Company, the first securities company to act as an agent and transfer stocks, announced that it was open for business, resuming the securities trading business that had been interrupted for more than 30 years. At the end of 1990, marked by the establishment of the Shanghai Stock Exchange and the Shenzhen Stock Exchange, the securities market began to develop rapidly. By the end of 1994, the number of professional securities companies had reached 91. The number of listed companies grew rapidly, from 949 in 1999 to 1,550 in 2007; the number of investor accounts increased from 48.1 million in 1999 to 138.87 million in 2007; and the market value of listed companies reached 32.7 trillion yuan by the end of 2007. The rapid development of China's capital markets has been accompanied by the rise of financial speculation, in which businessmen "take risks with the property of society, not with their own". The movement and transfer of securities, in the form of stocks and shares, "became purely the result of exchange gambling", "in which small fish were swallowed by sharks and sheep by the wolves of the exchange".³⁵⁰

In addition, with the deepening of the reform of the market economy system, the field of financing has continued to expand, and there have been more and more forms of interest-earning capital. In August 1980, the People's Bank of China convened a national symposium of branch presidents and made a decision: the excess funds of enterprises and the competent departments of enterprises can be entrusted to banks to invest or lend to designated areas and enterprises, or they can be entrusted to banks to invest or make loans on their behalf. Since then, trust and investment institutions have developed rapidly. By the end of 1981, there were more than 600 trust and investment institutions in the country. In 1981, China International Trust and Investment Corporation first jointly established China Oriental Leasing Co., Ltd. with Beijing Mechanical and Electrical Equipment Co., Ltd. and Japan Oriental Leasing Co., Ltd., and then jointly established China Leasing Co., Ltd. with the State Administration of Materials and other units, and began to attract foreign investment projects through financial leasing.³⁵¹ Pawnbrokers also revived and became increasingly active. By the end of October 1988, 168 pawnshops had been established in 21 provinces across the country, including 42 pawnshops in Wenzhou, Zhejiang.

A separate business supervision system adapted to the development of interest-earning capital has been gradually formed. Since 1984, the People's Bank of China has exercised the functions of the central bank and performed comprehensive supervision over the banking, securities, insurance and trust industries. In October 1992, the Securities Commission of the State Council and the China Securities Regulatory Commission (CSRC) were established, and China's financial sector began to be

³⁵⁰ Marx: *Capital* (vol. 3), Collected Works of Marx and Engels (vol. 8), Beijing: People's Publishing House

³⁵¹ Xi Junyang: *An Analysis of China's Financial System Reform - A Review and Prospects since the Third Plenary Session of the Eleventh Central Committee*. China Financial Development Report 2000. Shanghai University of Finance and Economics Publishing House, 2000

"operated separately and regulated separately". In November 1998, the China Insurance Regulatory Commission (CIRC) was established to unify the supervision of the insurance market, and in April 2003, the China Banking Regulatory Commission (CBRC) was officially launched to perform the supervision of the banking sector, forming the "one line and three committees" for financial management in China.

The financial sector, by virtue of the huge amount of capital it concentrates, is able to control the industrial enterprises, while the industrial monopolies, by virtue of their huge capital, merge with the financial capital and together control the whole of economic life. In this way, the state capital group controls the financial system, which in turn controls social production, so that the state capital group effectively controls production in society as a whole, and does so through the means of a capitalist market economy. Bank capital and industrial capital are highly integrated to form financial capital, which controls the life of the national economy. Unlike monopoly capitalism in the West, China's bureaucratic monopoly capital, at the same time, has complete control of power, without the need for political control through democracy and without the worry of different consortia competing for political control.

The fourth was the establishment of the land system, which came into force on 1 January 1999 with the Land Law, which established the capitalist land system.

"Land in urban areas is owned by the State. The land in rural areas and suburban areas belongs to the collective peasants, except for that which is provided by law to be owned by the State; residential bases and land and hills reserved for self-occupation belong to the collective peasants. State-owned land and land collectively owned by peasants may be determined by law for use by units or individuals. The unit or individual using the land has the obligation to protect, manage and reasonably use the land.

"The ownership of land owned by the whole people, i.e. the State, is exercised by the State Council on behalf of the State. No unit or individual may encroach on, buy, sell or otherwise illegally transfer land. The right to use land may be transferred in accordance with the law. The State may expropriate collectively owned land for the needs of public interest in accordance with the law. The State implements a system of paid use of State-owned land in accordance with the law. However, the state shall not allocate the right to use state-owned land except where the State allocates this within the limits prescribed by law."

The bureaucracy thus became the largest landowner in China, with the local bureaucratic capital groups being the direct managers of the land, making profits from land sales and controlling the local economy, and the central bureaucratic capital groups controlling the management of the land by the local bureaucratic capital groups through administrative means.

In this way, bureaucratic monopoly capitalism was formally established in China, and the bureaucratic monopoly capital group became the largest ruling class in China, controlling society through economic means such as finance, finance, strategic state enterprises and land, and maintaining rule through the regime and the machinery of violence.

At the same time, the bureaucratic bourgeoisie and private capital gradually merged. In 1992, at least 100,000 party and government cadres went into business nationwide, such as Bo Xicheng, son of Bo Yibo and then director of the Beijing Municipal Tourism Bureau, who resigned in July and set up a hotel management company. At the same time, large capitalists were brought into the 'system' and on 1 July 2001, Jiang Zemin spoke: "Individuals and private entrepreneurs have contributed to the development of the socialist society through honest labour and work and by operating their

businesses legally. They have contributed to the development of the productive forces and other undertakings of the socialist society. They are also the builders of the socialist cause with Chinese characteristics. One should not simply take the presence or absence of property or the amount of property they have as a criterion for judging whether people are politically advanced or backward, but look at the contribution they have made to the cause of building socialism with Chinese characteristics through their own labour.”

The capitalists began to change from "outside the system" to "inside the system", and the Communist Party officially became the representative of the entire bourgeoisie. In 2003, 34 per cent of private owners were members of the Party, and 50.66 per cent of private owners who had misappropriated state assets were members of the Party. The party was also able to buy officials directly. At the same time, private owners could directly bribe officials to form a community of interest, and according to statistics in 2003 private enterprises spent 18 per cent of their taxes on public relations and hospitality; at the same time, private enterprises recruited full-time party workers, so that private capital was in fact increasingly integrated with the bureaucracy and became part of the ruling class.

By 2003, China had basically established a capitalist market economy with a bureaucratic monopoly, and the domestic capitalist market had finally matured. By the end of 2001, there were 93,085 commodity markets of all kinds, including 47,152 comprehensive markets for consumer goods, 27,167 markets for agricultural products, 10,163 markets for industrial consumer goods and 6,631 markets for production materials.

The history of China's reform can be said to have ended here, and the history that follows is one of the continued expansion of capitalism, the worsening of the economic crisis and the move towards imperialism under the bureaucratic monopoly capitalist system established here, as well as the re-emergence of the Chinese proletarian revolution.

2. The development of the basic contradictions of capitalism

Like all previous societies, capitalist society has a fundamental contradiction inherent in it, namely the contradiction between private ownership of the means of production and socialised mass production.

“The means of production, and production itself, had become in essence socialized. But they were subjected to a form of appropriation which presupposes the private production of individuals, under which, therefore, every one owns his own product and brings it to market. The mode of production is subjected to this form of appropriation, although it abolishes the conditions upon which the latter rests. This contradiction, which gives to the new mode of production its capitalistic character, contains the germ of the whole of the social antagonisms of today. The greater the mastery obtained by the new mode of production over all important fields of production and in all manufacturing countries, the more it reduced individual production to an insignificant residuum, the more clearly was brought out the incompatibility of socialized production with capitalistic appropriation”³⁵².

Social production is a long chain of production in which each seemingly simple industrial product passes through dozens or even hundreds of industrial sectors, and capitalist appropriation divides these sectors into individual capitalist enterprises, which need to exchange to complete the entire

³⁵² Engels, *'Socialism: Utopian and Scientific'*, Collected Works of Marx and Engels (Vol. 3). Beijing: People's Publishing House. 551-552

production process. There was also a very complex division of labour within each enterprise, and thus an increasingly rigorous planning process within each enterprise. The more complex division of labour in society, however, is accomplished in an anarchic way. Each capitalist is concerned with maximising surplus value, and in order to do so, they consider endlessly increasing production, saving costs and squeezing workers. In contrast, the co-ordination of society as a whole requires the consideration of use value, so that society, which needs more planning and co-ordination than an enterprise, does not have a single plan, which is an important expression of the contradiction between capitalist appropriation and socialised production.

Initially, it was the capitalist relations of production that made possible the leaps and bounds of productivity that made socialised mass production possible, but now capitalist production can no longer accommodate such enormous productivity. The basic contradiction of capitalism is thus the contradiction between relative overproduction and absolute underconsumption, which is the source of the cyclical economic crises that exist in capitalist society.

In an economic crisis, "a great part not only of the existing products, but also of the previously created productive forces, are periodically destroyed. In these crises, there breaks out an epidemic that, in all earlier epochs, would have seemed an absurdity — the epidemic of over-production. Society suddenly finds itself put back into a state of momentary barbarism; it appears as if a famine, a universal war of devastation, had cut off the supply of every means of subsistence; industry and commerce seem to be destroyed."³⁵³

The bourgeoisie, faced with such a crisis, had to resort to suicide, apart from attributing it to chance in order to conceal the fact that it could not continue to rule. "And how does the bourgeoisie get over these crises? On the one hand by enforced destruction of a mass of productive forces; on the other, by the conquest of new markets, and by the more thorough exploitation of the old ones. That is to say, by paving the way for more extensive and more destructive crises, and by diminishing the means whereby crises are prevented."³⁵⁴

Along with the establishment of a capitalist market economy in China, the basic contradictions of capitalism gradually developed. During the three years of control and rectification following the '89 storm, duplication of construction was curbed to a certain extent. After the Southern Tour in 1992, there was a capitalist leap forward, a sharp division in society, and an increasingly acute contradiction between socialised production and private ownership of the means of production. The competition for projects and the decentralisation of approval authority from one level to the next created a state of anarchy in the production of various localities and enterprises.

This anarchy has led to extremely serious duplication of construction in various regions and enterprises. Twenty-two regions in the country have made automobile manufacturing a pillar industry, 24 regions have made the electronics industry a pillar industry, and 23 regions have made petrochemicals a pillar industry. In 1995, there were 7,363 steel rolling enterprises in the country, but only 271 in the Ministry of Metallurgy system, the rest being projects decided by the localities themselves, with an average of 21 in each locality and 3.4 in each county.

Anarchic production has created a contradiction between relative overproduction and absolute underconsumption. By 1995, the utilisation rate of production capacity was below 75 per cent for 82 per cent of China's products and below 60 per cent for half of them. Of the 94 major industrial

³⁵³ Marx, Engels: *The Communist Manifesto*, Collected Works of Marx and Engels (Vol. 2). Beijing: People's Publishing House.

³⁵⁴ Ibid.

products, 33 products, mainly energy products and some chemical products, had a capacity utilization rate of over 80 per cent, while 35 products, mainly light industrial and household appliances, machinery, light industrial products and textile products, had more than half of their production capacity idle.³⁵⁵

In the light industry, the total output value of the light industry grew by an average of 27%, 33% and 57% from 1992 to 1994, far outstripping the growth rate of social retail sales, and after the mid-1990s, many light industry enterprises limited, semi-suspended or even ceased production. The market for household appliances was saturated, and a number of factories such as television sets, air conditioners and washing machines faced the dilemma of closure.

In the field of heavy industry, for example, the Ministry of Machinery arranged for the production of 30 million kilowatts during the Eighth Five-Year Plan, but imported power generation equipment amounted to 48.97 million kilowatts, resulting in a shortage of domestic production capacity of 5-6 million kilowatts per year. The Ministry of Metallurgy introduced 3 sets of rolling mills from Germany, and the price was 125% higher than that of domestic production, making the technical equipment developed in China idle for 8 years.³⁵⁶ By the end of 1996, more than 40 per cent of the country's production capacity of 28 major industrial products was idle, for example, the utilisation rate of the production capacity of power generation equipment was below 25.5 per cent, and the utilisation rate of small electronic computers was only 3.5 per cent. One third of the country's stock of more than 3 trillion yuan of state-owned assets had been left idle for a long time.

The contradictions of capitalism are expressed in the contradictions between the proletariat and the bourgeoisie. From 1981 to 1997, the final consumption rate fell from 68 per cent to 59 per cent, with a serious shortfall in consumer demand. "Nowadays, school fees for children are getting more and more expensive, and the cost of medical treatment is getting more and more expensive, so people simply do not dare to spend their money. The state is always looking at personal savings and trying to pull them out, but people can only keep their pockets tightly covered."³⁵⁷ And production is still growing at an unacceptable rate, which in turn is causing a growing crisis of overproduction.

3. The Asian financial tsunami and the "three-horse cart"

The growing overproduction in China coincided with another cyclical crisis in the world economy, the Asian financial tsunami of 1997-1998. International financial speculator Soros sold the Thai baht twice, in March and June 1997. On 2 July 1997, Thailand announced that it was abandoning its fixed exchange rate system and introducing a floating exchange rate system, which triggered the financial turmoil that spread across South East Asia. On that day, the exchange rate of the Thai baht to the US dollar fell by 17% and the foreign exchange and other financial markets were in turmoil. Under the influence of the baht, the Philippine peso, the Indonesian rupiah and the Malaysian ringgit were targeted by international financial speculators.

In August 1997, Malaysia abandoned its efforts to defend the ringgit. The Singapore dollar, which had been strong, was also hit. In late October 1997, financial speculators moved to the international financial centre of Hong Kong, targeting its linked exchange rate system. The Taiwanese authorities

³⁵⁵ Office of the Third National Industrial Census, National Bureau of Statistics of the People's Republic of China: *Bulletin on the Main Data of the Third National Industrial Census*

³⁵⁶ Zhao Minshan, "Analysis of the reasons for the relative overcapacity of certain industrial products in China", in *Economic Management*, No. 4, 1997.

³⁵⁷ *Survey on the Living Conditions of Urban Residents (Lanzhou City, Gansu Province)*

suddenly abandoned the New Taiwan dollar exchange rate and devalued it by 3.46% in one day, increasing the pressure on the Hong Kong dollar and the Hong Kong stock market.

On 23 October 1997, Hong Kong's Hang Seng Index plunged by 1,211.47 points; on the 28th, it fell by 1,621.80 points, dropping below the 9,000-point mark. In the face of the onslaught of international financial speculators, the Central Government injected huge amounts of assets into Hong Kong and the HKSAR Government reiterated that it would not change the current exchange rate system, the Hang Seng Index rose to the 10,000-point mark.

In mid-November 1997, a financial turmoil also broke out in South Korea in East Asia. On the 17th, the exchange rate of the Korean won against the US dollar fell to a record 1008:1. On the 21st, the South Korean government had to ask the International Monetary Fund for assistance and temporarily controlled the crisis. But on December 13, the exchange rate of the Korean won to the US dollar dropped to 1737.60:1. The Korean won crisis also hit Japan's financial sector, which has heavily invested in South Korea. In the second half of 1997, a series of banks and securities companies in Japan went bankrupt one after another. The Southeast Asian Financial Crisis evolved into the Asian Financial Crisis.

At the beginning of 1998, Indonesia's financial turmoil resumed. Facing the worst economic recession in history, the countermeasures formulated by the International Monetary Fund for Indonesia failed to achieve the expected results. On 11 February 1998, the Indonesian government announced that it would implement a pegged exchange rate system with a fixed exchange rate between the rupiah and the US dollar in order to stabilise the rupiah. This was unanimously opposed by the IMF, the US and Western Europe, and the IMF threatened to withdraw its aid to Indonesia, plunging the country into a major political and economic crisis.

On 16 February 1998, the Indonesian rupiah fell below 10,000:1 to the US dollar, and the South East Asian currency markets were rocked again, with the Singapore dollar, the Malaysian dollar, the Thai baht and the Philippine peso falling. It was only on 8 April when Indonesia and the International Monetary Fund agreed on a new economic reform package that the markets calmed down.

The 1997 financial crisis in South East Asia brought the Japanese economy, to which it was closely linked, to its knees. The exchange rate of the yen fell from 115 yen to the dollar at the end of June 1997 to 133 yen to the dollar in early April 1998; in May and June, the yen fell all the way to close to the 150 yen to the dollar mark. With the sharp depreciation of the yen, the international financial situation became more uncertain and the Asian financial crisis continued to deepen.

International financial speculators launched a new attack on Hong Kong, taking advantage of the turmoil in the US stock market and the continued fall in the exchange rate of the Japanese yen. The Hang Seng Index fell to over 6,600 points. The Hong Kong SAR Government, with the support of the Central Government, responded by using the Exchange Fund to enter the stock and futures markets to absorb the Hong Kong dollar sold by international speculators and stabilise the currency market at HK\$7.75 to US\$1. A month later, international financial speculators had suffered heavy losses and were once again unable to realise their attempts to use Hong Kong as a "super ATM". While the international financial speculators lost in Hong Kong, they also failed miserably in Russia. The Central Bank of Russia announced on 17 August that it would extend the floating range of the rouble to the US dollar to 6.0-9.5:1 for the year, and postpone foreign debt repayments and suspend trading in treasury bonds.

On 2 September 1998, the rouble was devalued by 70%. This caused a sharp fall in the Russian stock and currency markets, leading to a financial crisis and even an economic and political crisis. The

sudden change in Russia's policy caused major damage to international financial speculators who had invested large sums of money in the Russian stock market, and led to severe fluctuations in the stock and exchange markets of the US and European countries. By the end of 1998, the Russian economy was still not out of the woods, and in 1999 the Asian financial crisis came to an end. What awaited the capitalist world was a world economic crisis of unprecedented scope, duration and intensity.

The Asian financial tsunami had its roots in the crisis of overproduction in Southeast and East Asian countries or regions. This overproduction led to an economic crisis in the form of a financial crisis, which was fuelled by financial borrowing and relied on inflation to maintain a false boom in the economy. Eventually, the economic crisis broke out in the form of a financial crisis. The financial speculators only accelerated this crisis, and they themselves speculated according to the mechanisms of capitalism, thus reflecting its decadence and decline.

Although China's economy was not yet fully integrated into the international capitalist system, its already overproduction, combined with the financial crisis, exacerbated domestic tensions. The Chinese stock market was in the doldrums and the consumer market was in a state of depression, and by mid-1997 the country's industrial stockpile was worth over 3 trillion yuan. Zhu Rongji admitted at the State Council that 95 per cent of industrial goods were in greater supply than demand, and that "there is more stuff than there needs to be". The total number of workers laid off from state-owned enterprises reached a record 12.75 million, only a few of whom found new jobs, and unemployment skyrocketed, bringing China to the brink of economic collapse.

In response to the crisis, the Chinese bureaucratic capitalist group set up a "three-horse cart" to drive the economy, namely investment, consumption and exports.

Firstly, investment. The state implemented an expansionary fiscal and monetary policy, initiated urbanisation and focused on investment in infrastructure sectors such as energy, transport, communications and water conservancy. To accomplish this, from 1998 to 2001, the central government issued a total of over RMB 500 billion in special construction bonds, and major commercial banks issued the same amount of "matching funds". This approach led to serious problems later on, as government debt increased dramatically, creating a huge potential problem.

At the same time, a large number of foreign-invested enterprises entered China, with over 330,000 approved in 1999. In the mobile communications sector, the production of mobile phones by Motorola in Tianjin accounted for one third of the country's total output, while the rest was produced by seven other foreign-invested enterprises. In the programme-controlled switchboard industry, seven joint ventures accounted for more than 70% of the output of programme-controlled switches in China. More than 95 per cent of cameras were produced by foreign-invested enterprises. Photocopiers were 98 per cent produced by foreign-invested enterprises.³⁵⁸

However, although the investment may have relieved overcapacity for a time, it created greater productivity and set the stage for a larger crisis later.

The second is export. To this end, the State Council issued policies to allow private enterprises to export on their own, which greatly stimulated foreign trade. The brutal exploitation of workers enabled Chinese goods to be cheap, and the industrial base laid down during the socialist period ensured that the quality of Chinese goods was guaranteed. As a result, Chinese goods began to be exported all over the world and the Chinese bourgeoisie began to export commodities on a large

³⁵⁸ Zhong Hua, *'Foreign-owned enterprises and overcapacity in China'*, in World Knowledge, No. 14, 1999.

scale. The blood and sweat of the Chinese proletariat was used by the Chinese bourgeoisie as a means of alleviating the capitalist economic crisis, and the fruits of the Chinese people's labour were exchanged for US imperialist bonds. At the same time, the Chinese economy was becoming more and more dependent on the world economy, a tool that would become useless when a wider economic crisis arose.

The third is to stimulate consumption, mainly by opening up the real estate market. As early as 4 August 1994, Zhu Rongji proposed in his *"Policy on the Trial Phase of Housing Reform"* that "the commercialisation of housing is the ultimate goal of housing reform." In 1997, Zhu Rongji added that "housing construction is a major direction for revitalising China's economy and is in line with the direction of changing market demand. It can drive the development of dozens or even hundreds of industries. It can also boost employment, and in addition, the people expand their consumption and have an outlet for their purchasing power."

In July 1998, the State Council made a major decision to stop the practice of allocating welfare housing in kind, which had been in place for more than 40 years, and to monetise the allocation of housing for all party and government organs. At the same time, the People's Bank of China promulgated the *Regulations on the Administration of Personal Housing Loans*, which allowed commercial banks to offer housing mortgage loans. These two measures directly stimulated a boom in the real estate industry, and housing prices soared.

The importance of housing reform was reiterated by Zhu Rongji in June 1999. "The main problem of the national economy now is that there is a great deal of production capacity but not enough demand, and the contradiction between supply and demand is becoming more and more acute; promoting consumption is a great problem." "I always believe that the demand for housing is still the greatest demand and the one that best meets the people's needs."

As a result, the housing market became the main lever to drive domestic demand, the government started to sell land to generate revenue, property developers borrowed to develop real estate and buyers took out loans to buy homes, thus creating a false economic boom. However, the price of housing has risen so high that it has become one of the "three big mountains", along with healthcare and education. Home ownership for the proletariat has become more and more of an illusory dream.

Therefore, all the so-called "three-horse carts" are built on the basis of deeper exploitation and oppression of the working people, and all of them are preparing for the next economic crisis with a wider scope, a longer duration and a more severe degree.

3. The workers' revolt and the re-emergence of the left

1. The total loss of workers' rights

While bureaucratic and private capital achieved a win-win situation, the workers and peasants suffered a total defeat. The establishment of capitalism, and the process of the primitive accumulation of capital, is itself a process in which the small producers are squeezed, the workers are separated from the means of production, they become "free and destitute" wage labourers, and the means of production are concentrated by the capitalists.

By the 1990s, the problems in the countryside were very serious and the contradictions were very acute. The concessions made to the countryside in the late 1970s were really just a means for party bureaucrats to build legitimacy and gain support, and by the 1990s they were no longer willing or able to make such concessions. "According to data from the Chinese Ministry of Agriculture, after

reaching a record of 10.3 per cent of total state investment in 1978, the proportion of agricultural investment began to decline year by year, and by 1994 it was only 2 per cent, or actually -7 per cent in 1994, after adjusting for inflation. ³⁵⁹



(Above: a sign of peasant dissatisfaction – “Today you go out to avoid the birth control policy, tomorrow you come home with all your possessions gone” – Trans.)

Moreover, since agricultural production peaked in 1984, agriculture remained stagnant throughout the mid to late 1980s and into the 1990s, with small-scale production severely hampering the development of rural productivity. In order to stabilise grain prices and stimulate agricultural production, and thus extract surplus value from agriculture, Zhu Rongji reinstated the state's grain purchase policy in the mid to late 1990s. However, following this administrative measure, China's grain production declined for four years in a row, with no development in agricultural production and a loss of 300 billion dollars to the Chinese state-owned grain system.

With agriculture in decline, the countryside continued to provide surplus value for capitalist industrialisation, not only through inflation, but also through extremely high taxes at central and local levels, as well as taxes and fees levied by grassroots bureaucrats in order to get a share of the profits, and through family planning, which made the peasants miserable. With the abolition of the 'unity of government and society', the peasants not only lost the possibility of democratic governance, but also had to face the oppression of the bureaucracy on their own.

At the township level alone, the bureaucracy "generates" 184 billion yuan a year from China's farmers. The bureaucrats at the grassroots level also make life even more miserable for farmers by arbitrarily adjusting land contracts for profit. "A village branch secretary in Shanxi immediately annulled the original contract as soon as he took office. This rude grassroots cadre did not care about this breach of contract, saying, 'The central government requires that the contracted land remain unchanged for 30 years, I don't care about that, I can adjust it however I want. And one of the Hebei counterparts of the Shanxi village branch secretary even threatened the farmers with 'death for anyone who dares to speak up'." ³⁶⁰

At the same time, grassroots bureaucrats use violent "law enforcement" to crack down on Chinese villagers who dare to resist. "In December 1999, Li Lusong, a young peasant from Shanxi, was taken to a detention centre and tortured by the public security authorities for petitioning about economic

³⁵⁹ Yuan Jian: *'Twilight of the Miracle'*.

³⁶⁰ *Ibid.*

problems in the construction of the village primary school, and then had his tongue cut out inhumanely."³⁶¹

The reason why rural bureaucrats resort to costly and risky violence to squeeze the peasants is that the surplus value that can be extracted from the countryside is so limited that the bureaucrats can only use violence to squeeze as much as they can for their own benefit. In reality, the exploitation of the peasants by the rural bureaucrats is only a microcosm of the entire Chinese bureaucracy, which has to fulfil the task of extraction assigned to it by the urban bureaucrats, while at the same time satisfying its own interests. In fact, this was a natural consequence of the bloody and violent nature of primitive capitalist accumulation.

Taxes that exceeded the peasants' means eventually inspired a mass movement of peasant resistance to taxation.

"From late 1992 to June 1993, peasants in Renshou County, Sichuan launched a powerful 'riot' against taxes. This riot, both in terms of its scale and duration, was the highest recorded since the establishment of the Chinese Communist Party. It has now been widely disclosed that at the height of this protest, tens of thousands of peasants surrounded the Renshou county government. And after 1992, peasant riots similar to the Renshou incident continued to occur in rural China."³⁶²

This shows that the class contradictions in the countryside were so acute that they were on the verge of breaking out. The small producers, under the oppression of the bureaucratic capitalist class, could no longer reproduce their labour and had to resort to riots and tax protests to ensure their survival.

It is undeniable that industrialisation requires the extraction of surplus from agriculture, but the accumulation of socialist industrialisation is essentially the communal property of the entire population and must be fed back to agriculture, especially after the 1980s when the industrial system was basically established, on a large scale, in order to reduce the gap between urban and rural areas and between workers and peasants. But this was not the case with capitalist accumulation. The countryside was always a place for the bureaucratic bourgeoisie to extract their own benefits, and they only had to look after their own interests to the maximum. If the riots did not threaten the bureaucratic rule, the life and death of the peasants would not be considered at all.

In this way, the gap between urban and rural areas was widening.

"By 2002, the income gap between urban and rural China had already surpassed that of the pre-1949 Guomindang period. International comparisons of the urban-rural income gap show that most countries in the world have an urban-rural income gap of 1 to 1.5, and it is very rare for countries to have an income gap of more than 2. All statistics now estimate the gap between urban and rural incomes in China to be over 3. If we add in the various hidden benefits of urban incomes, the figure is even 4-8 times higher."³⁶³

In 2000, a Chinese rural official, Mr. Li Changping, wrote a long letter to Premier Zhu Rongji, "I tell the Premier the truth", saying that "the countryside is really suffering, the peasants are really poor,

³⁶¹ Ibid.

³⁶² Ibid.

³⁶³ Ibid.

and agriculture is really dangerous".³⁶⁴ The issue of the "three rural areas" was thus brought to the forefront of Chinese politics. (*These were issues of agriculture, rural areas and peasants – Trans.*)

Some people naively believe that urbanisation is the way out for the peasants, but capitalist urbanisation can only be a deprivation of the peasants. According to rough statistics, between the time of reform and opening up and the end of the term of the Jiang Zemin and Zhu Rongji governments, the peasants were deprived of land worth as much as 5 trillion dollars, which, given inflation, is an even greater plunder of capital. The peasants who lost their land were completely thrown into the ranks of the proletariat.

The stagnation of agriculture and the plundering of the bourgeoisie made it difficult for agricultural incomes to sustain the reproduction of peasant labour, and the dispossession of large numbers of peasants from their land made it difficult for large numbers of peasants to survive in the countryside. The concentration of capital also intensified. With the massive capitalisation of China's urban industries and the strengthening of governance, technologically backward and polluting township enterprises were closing down at a rate of 7% per year, and their ability to absorb surplus labour was diminishing dramatically.

The successful township enterprises gradually died out, and some of the successful township enterprises developed into urban private enterprises, and urban capitalist industries began to grow rapidly, with the number of urban private enterprises rising from 38 per cent of all private enterprises in 1990 to 60 per cent in 1996.³⁶⁵ The result was a prosperous and crowded city and a declining countryside. "In 1992, the number of migrant workers in the cities suddenly exploded to 40 million, and by 2002 there were 88 million. By 2002, the number had risen to 88 million, and today it stands at around 280 million.

Under capitalist conditions, peasants could only enter the ranks of the proletariat or semi-proletariat, and in the cities they still had to face capitalist exploitation and oppression. In the 1990s, "peasant workers were mostly concentrated in marginal occupations such as construction, restaurants, hair salons, transport and street vendors".³⁶⁶ These occupations not only required heavy physical labour, but also extremely poor pay and job insecurity. In the context of the mass lay-offs of workers from state-owned enterprises in the 1990s, unemployment is a constant problem for migrant workers.

"A journalist from the Chinese news agency Xinhua conducted a follow-up interview with Peng Hongping, a migrant worker from Xiantao, Hubei, from July 2003. In just 115 days, the 26-year-old Hubei farmer changed jobs 11 times and was unemployed for 60 days. He was paid 925 yuan for his work, but his boss deducted 415 yuan, which averages out to leave only 4 yuan a day. He did not have enough to eat and often slept on the streets. However, this is not unique to Peng Hongping, as a survey shows that 37% of migrant workers have been left penniless."³⁶⁷

However, despite the fact that the wages of migrant workers were already so low that it is almost impossible to reproduce the labour force, there is no guarantee that they would be paid in full.

"Chen Rongxiang was unintentionally in the news for once. He climbed up a tower crane at a construction site in Beijing to collect his wages. That's where he and his fellow workers were working.

³⁶⁴ Li Changping: *"I Tell the Prime Minister the Truth"*.

³⁶⁵ Zhang Houyi and Ming Lizhi, *Report on the Development of Private Enterprises in China: 1978-1998*, Social Science Literature Press.

³⁶⁶ Yuan Jian: 'Twilight of the Miracle'.

³⁶⁷ Ibid.

*After a three-hour 'demonstration' on the 30-metre-high tower crane, Chen got what he wanted and was able to collect the wages of dozens of his fellow workers. The 65-year-old ended the 'demonstration' with a surprising gesture: he knelt down on his trembling legs and mouthed the words, 'I'm sorry for the trouble I caused you all'. Chen Rongxiang's story took place on 3 November 2003 in Beijing, the capital of China. Before that, there had been a series of similar stories in major Chinese cities.*³⁶⁸

But why did he have to risk his life and abandon his dignity just to get his hard-earned money? But he was already lucky, "On December 4, 2003, in the northeastern Chinese city of Harbin, Xu Dianbin, a migrant worker who was demanding his wages from a construction boss, had his tendons brutally chopped off."³⁶⁹

In 1993, a fire broke out in a Hong Kong-owned factory in Shenzhen, the Zhili Toy Factory, in which nearly 100 female workers were killed. The cause of this tragedy was the ageing of the electrical circuits, the mixing of production halls, warehouses and dormitories, and the blocking of escape routes. The bourgeoisie did not treat migrant workers as human beings, let alone ensure their safety.



Not only that, but migrant workers are suffering from discrimination and institutional exclusion. Not only are they looked down upon by urbanites as dirty and unqualified, and even as a source of crime, but they are also oppressed by systems such as the deportation system. If they are found to be without a temporary residence permit, they are sent to a shelter and if they do not get money to pay for it, they can be severely beaten. In 2003, Sun Zhigang was beaten to death for this reason. Migrant workers in the city, of course, do not have obstacles in the countryside, and the problem of the education of their children is even more insurmountable.

It can be said that the peasants could not stay in the countryside and came to the city to become migrant workers, but what awaited them was not relief, but a new purgatory. Like the peasants, the workers of urban state enterprises, in the tide of state enterprise restructuring, were reduced to wage labour.

Since the beginning of the SOE reform, workers have lost their master status and have been exploited for surplus value by the bureaucratic bourgeoisie. With the reform of the shareholding system and the contractual system of state enterprises, workers in state enterprises have become like capitalist wage-labourers. Urban and rural workers merged to form a large proletariat, while the small producers and intellectuals who had not yet become proletarians were also gradually transforming into proletarians.

However, with the restructuring of state enterprises, tens of millions of workers were laid off, and workers in both urban and rural areas found it difficult to find work, and could not even maintain their slave-like livelihoods. Many workers have had two generations of family members in one SOE,

³⁶⁸ Ibid.

³⁶⁹ Ibid.

and some cities were built around SOEs. The sale of SOEs has led to many workers losing their families, causing untold human tragedies. One of the true and tragic stories is this.

"Dad, our family hasn't had meat for a long time, I really want to eat meat for once'. The father looked at his expectant son and nodded wordlessly. He promised his son, but he had no money in his pocket. In the market he went round the meat stalls, leaving several times and returning several times. Finally he took a leap of faith, picked up a piece of meat from the stall and ran away. The stall owner's instinctive reaction was to shout: 'Someone's robbing the meat, catch him'. The market was crowded and he was eventually taken to the local police station. When the police understood his situation, they didn't give him a hard time and the stall owner gave him the meat. He went home with the meat, but with a few more packets of 'rat poison' in his hand. He silently put the meat and the 'poisonous rat poison' into the pot together and cooked down a deadly pot of 'twice-cooked meat'. The wife and children happily ate the long-lost 'twice-cooked meat' ³⁷⁰

It is evident that the bourgeoisie can completely disregard the proletariat in order to fill their own pockets. Perhaps they will explain all this at the cost of modernisation, but the true nature of history will eventually be seen by the world. The blood debt they owe will be paid in the end!

2. The workers' revolt

The restoration of capitalism and the bloody accumulation of capital inevitably led to a revolt by the working people. On the one hand, the restoration of capitalism led to the struggle of the workers of the former state enterprises against the appropriation of state assets, and on the other hand, the exploitation and oppression of capitalism led to the struggle of the peasants against taxes and the struggle of the new workers against the capitalists for their rights.

Since the restructuring of state-owned enterprises began in the mid-1990s, there has been a steady stream of collective petitions, demonstrations, road blocks and petitions by laid-off and unemployed workers to fight for their rights and interests.

The workers' struggles were mainly against the infringement of workers' rights and the misappropriation of state property during the restoration process, and were dominated by laid-off workers, including a small number of retired and working workers from some of China's old industrial bases in the northeast, northwest, southwest and central provinces, concentrated in the energy, forest processing, military, textile, steel, oil refining, construction and sugar industries, which were the main targets of the reform and restructuring of state-owned enterprises.

The specific demands of the unemployed and laid-off workers in their struggle include: demands for the realisation of their right to employment; demands for the enterprises to pay back the wages, social security fees and fund-raising money owed to them; demands for the punishment of the managers and government officials who caused the enterprises' bankruptcy; demands for the provision of basic livelihood protection; demands for the release of the imprisoned workers' representatives, etc.

Some of the struggles of laid-off workers were large in scale and lasted for a long time, for example:

³⁷⁰ Ibid.

Between December 1999 and April 2000, tens of thousands of workers at the Liuzhi coal mine in Sichuan Province stormed and blocked the railway more than ten times to express their dissatisfaction with the unemployment benefit programme.

From May 2000 to 2003, thousands of workers at the Liaoyang Ferroalloy Plant in Liaoning Province staged sustained protests, initially demanding that the operator be held legally responsible for causing the enterprise's bankruptcy, and later demanding that the government release the arrested workers' representatives.

On 9 July 2001, some 10,000 workers and family members of the Shulan Mining Bureau in Shulan, Jilin Province, stormed the main railway line from Jilin to Harbin and occupied the railway station, protesting against 30 months of unpaid wages due to corruption and mismanagement by the leadership of the mining bureau.

In June and July 2003, tens of thousands of miners from the Huludao Mining Bureau in Liaoning Province took part in demonstrations and railway blockades, demanding that the Bureau pay their unpaid wages.

Most of them come from state-owned enterprises and collective enterprises that are in the process of restructuring or going bankrupt. Their main demands include job security for the future, the payment of financial compensation, and the punishment of corrupt management practices. It was clear to the workers that if they let the operators of restructuring and bankruptcy do what they wanted, they would face the same hardships as the laid-off and unemployed workers. Such campaigns to protect the factories have been frequent, for example.

In August 2000, more than 1,000 workers at the 3508 Arsenal in Chengdu, Sichuan Province, surrounded the factory building for six days, demanding that the factory leaders explain the facts about the factory's bankruptcy and the arrangements for the workers' livelihood.

On 8 March 2001, more than 2,000 miners from the Datong Coal Mine Group's Baidong Mine in Shanxi Province blocked local traffic routes and demanded higher rates of economic compensation.

From 14 September to 23 October 2004, more than 5,000 workers of the Tianwang Textile Group in Xianyang, Shaanxi Province, went on strike, demanding that the Hong Kong-based China Resources Group, which had acquired the company, revise the terms of the merger and increase the rate of payment of economic compensation.

In addition to the struggles of workers in state-owned enterprises, the establishment of capitalist relations of production was followed by the resistance of a new generation of proletarians. One of the early labour disputes in the Shekou Industrial Zone took place in the Hong Kong-owned Kader Toy Factory, which employed 1,600 workers in 1983. Twenty workers supported the union's position and refused to work excessive hours on the first night of negotiations with management, who returned the favour by firing one of the leading workers. The Shekou Industrial Zone Trade Union demanded that the company reinstate the dismissed workers, and the toy factory threatened to withdraw its investment. The government was not yet fully on the side of the capitalists, so with the support of the Shekou Industrial Zone government, the union took legal action on behalf of the workers against the factory and eventually forced the factory management to accede to the union's demands.

During the same period, 21 migrant workers employed in a Japanese-owned factory in Shenzhen stopped working for ten hours, during which time trade unions and Party cadres followed them day and night to persuade them to restart work, the government and trade unions there had already

taken the capitalists' side, but had not yet begun to suppress them by violent means. After 1992, with the influx of foreign capital and the formation of migrant workers, official trade unions and the government gradually fully took the position of capitalists and became their agents. There were few trade unions established in foreign-funded enterprises. The government's main role was to suppress the workers' movement.

From 1992 to 1994 there was an upsurge in the number of workers' movements and an unprecedented wave of strikes in foreign-owned enterprises in southern China, with some attempts to set up independent unions failing without exception. In 1994, a 'temporary trade union' was organised during a strike by workers at a Taiwanese-owned shoe factory in Shenzhen and was declared 'illegal' after the strike ended.

In response to this wave of strikes, the central government has implemented the Labour Law. The former Minister of Labour, Li Boyong, had this to say: "The labour and employment situation is very bad this year, and there is a rapid increase in labour conflicts. Last year there were no less than 10,000 strikes, work stoppages, collective petitions, marches and demonstrations, with foreign-funded enterprises in particular. The Ministry of Labour is actively preparing legislation to support the relevant policies. It is hoped that the above problems can be effectively controlled and reconciled."

The legislative and regulatory framework was basically established by the mid-1990s, when the Ministry of Labour issued the Regulations on the Minimum Wage for Enterprises in 1993 and the Labour Law came into force in 1994. The Labour Law had two faces: on the one hand, it formally confirmed in law the reality of capitalist relations of production established in China; on the other hand, it was also a right fought for by the proletariat and established the basic framework of workers' rights under capitalism.

However, due to the patronage of local officials and investors and the reluctance of local authorities to enforce labour laws, workers are often paid less than the legal minimum wage, making arbitration procedures the last resort for resolving labour disputes. With the increase in the number of proletarians and the growing awareness of the need to use the law to fight for their rights, the total number of registered labour disputes rose from 19,098 in 1994 to 226,391 in 2003. However, the arbitration process is very time-consuming and complex for workers. This labour management system is unable to deal effectively with workers' complaints and is often bourgeois in its stance, so workers are increasingly bypassing unions and the law and adopting new patterns of lockouts, strikes and protests.

Not only has the number of actions increased dramatically, but the way in which they are carried out has also changed considerably, from individual resignations, suicides, self-harm or violence against employers, to collective action in the form of strikes, "collective sleeping", "collective tours", "collective walks", road blockades, etc., to express economic interests. On this basis, a model of "work stoppage (strike)-labour-management negotiation-agreement" has been developed.

In 1998, there were 6,767 collective labour dispute cases handled by labour dispute arbitration bodies nationwide, an increase of nearly 65% over 1997; in 1999, there were 9,043 cases, a further increase of 33%; and in 2003, there were 11,000 collective labour dispute cases, an increase of 63% in five years.

Petitions have also become a way for the proletariat and peasants to defend their rights and interests, and they have the illusion that "the central government is good, but the local authorities are bad". In less than two months from 1 July to 20 August 2003 alone, 19,000 petitions were filed in

front of the CPC Beijing Municipal Committee and 347 group petitions were filed; more than 10,000 petitions were filed in front of the Discipline Inspection Commission of the CPC Central Committee and 453 group petitions were filed, with an average of more than 100 petitions per day and a maximum of 152 petitions per day. This also triggered local governments to hound and intimidate the petitioners. As reality educates the people, they will gradually give up such illusions, and the number of petitions will gradually decrease, and the number of ways to fight for their rights through united struggle will increase.

3. Left-wing re-enlightenment

From the late 1970s to the 1980s, with the mass arrests of proletarian class representatives and the deception of the masses by the capitalists, Marxism-Leninism almost disappeared from society, leaving only fake Marxism-Leninism with its revolutionary edge neutered.

With the resurgence of bureaucratic capitalism in China, not only did the class struggle of the proletariat re-emerge, but the revolutionary theories of Marxism-Leninism also began to spread again across the Chinese landscape.

Firstly, there was the "birdcage economists" who had fallen out of favour within the Party, some of whom, after 1989, gradually became the "old left", criticising the capitalist orientation of reform and opening up and engaging in polemics on the surname of capitalism and socialism. After 92, when bureaucratic capitalism was gradually established in China, the "old leftists" began to miss Mao Zedong, to reconnect with the Cultural Revolution and to criticise revisionism. They spread Marxism-Leninism-Maoism and reinterpreted Chinese history through magazines such as *Zhongliu* and *The Quest for Truth*, as well as through student associations, in order to justify the Cultural Revolution and Mao Zedong.

However, because of their bureaucratic status, they could not completely support the violent proletarian revolution. Instead, they looked to the healthy forces within the Party to punish traitors and make a left turn, raising the slogans of "protecting the Party and saving the country" and "raising Mao, supporting Deng and criticising Jiang and promoting Hu". At that time, capitalist relations of production had not yet been fully established and the proletariat had not yet developed and grown in strength, so their theories were very popular among students and in society. Of course, it is undeniable that they objectively contributed to the revival of left-wing ideas in China.

At the end of the 1990s, the "old leftist" magazines were banned, and in 2003 they set up left-wing websites such as *Utopia* and *Mao Zedong Banner*, continuing to propagate the idea of "protecting the Party and saving the country". But the more society develops towards capitalism, the more the proletariat grows in strength and the more the proletariat's struggle rises, the more reactionary their ideas become, the more their influence declines and they will eventually be abandoned by the revolutionary people.

The liberal intellectuals who experienced the June Fourth Incident were shocked by the bloody repression of the government and the massive and bloody suppression of the people by a party that claimed to be the representative of the proletariat, and some of them fell into a state of reflection. Some intellectuals turned to Marxism-Leninism and propagated revolutionary ideas; at the same time, many intellectuals became "New Leftists", mainly engaged in cultural and academic criticism, absorbing Western Marxist theories, and gradually withdrew into their books and separated themselves from the proletariat. The "New Left" produced a number of leading figures such as Wang Hui and Dai Jinhua, who were very influential in the intellectual world and played a role in turning the tide of Chinese public opinion.

In the late 1980s and early 1990s, a large number of arrested rebels were released from prison, some of whom remained firmly in the proletariat and continued to spread Marxism-Leninism-Maoism and inspire the struggle of the people.

Another political faction emerged at the turn of the century, when the rural problems became increasingly serious and the "rural constructionists", represented by Wen Tiejun, emerged. They saw that the root of the rural problems lay in smallholder production, but they did not see that the rural and urban problems were inseparable and that they were the inevitable ills of capitalism. They wanted to mend the countryside, to restore collectivisation in the countryside, but in the tide of peasant proletarianism they could only scurry about like Don Quixote. However, it is also undeniable that their ideas and practices inspired a group of left-wing intellectuals in China who broke through the limits of the "rural construction" vision and moved towards Marxism-Leninism-Maoism.

With the advent of the new century, the left-wing movement has grown and developed, and gradually a group of proletarian revolutionary representatives has emerged who are truly committed to the proletarian position, to Marxism-Leninism-Maoism and to the revolutionary line of the proletariat. In the near future, the fusion of revolutionary left-wing ideological enlightenment with the proletarian movement will be the real hope for the cause of the Chinese socialist revolution.

4 The "Politics of Depoliticisation" - Chinese Culture in the 1990s

1. "Consumer Society" and the Birth of "Popular Culture"

After the devastation of the June Fourth Incident, intellectuals, with their elite culture, fell into a long silence. They awoke from their dream of becoming heroes of the new era in the 1980s, and some of them retreated to their studies, feeling the superiority of being elites, but no longer able to influence society. In adhering to the views of the liberals, they continue to represent private capital and fight against the government, but as bureaucratic capital and private capital converge, their struggle is increasingly detached from their own reality.



The 1990s, especially after 1992, were undoubtedly the most intense period of capitalist resurgence in China. In just a few years, a capitalist market economy was established in China, completing a great leap forward in capitalism. Modern skyscrapers and shopping malls were erected in the cities and Western brands such as KFC and Pizza Hut became a huge success in China. With the development of technology, television was gradually introduced into millions of homes. Hong Kong, Taiwanese, European and American pop culture came in large numbers, while local pop culture also emerged, and popular culture gradually came to life in China.

Popular culture is the mode of cultural operation in the developed capitalist countries of Europe and America since the Second World War. Popular culture is a commercialised, mass-produced, bourgeois ideology that is popular among the masses, especially the labour aristocracy and the petty bourgeoisie, and the material basis for its emergence is the developed capitalist market and modern media. Popular culture appeals to the interests of the labour aristocracy and the petty bourgeoisie, while at the same time shaping the interests of the masses. It operates according to the logic of capital and the market, for profit, shaping the ideology of society as a whole under the guise of "de-

ideologisation". It emerges from the logic of capitalism and is therefore necessarily a culture that justifies capitalist society.

In 1990, a film that had failed miserably at the box office in Taiwan, *Mama, Love Me Again*, swept the mainland, topping the box office that year; at the same time, Mainland China's first soap opera, a major television chamber drama, *Desire*, was released, creating a crowd of 10,000 people; followed by the official melodrama *Jiao Yulu*, which also created a box office miracle. The social function of these three films, all of which are "bitter dramas", is that "they succeed in loading and deflecting the trauma and anxiety of society with an abundance of misery and tears. Through the cheap and legitimate tears evoked by the bitter drama, we are able to release the reality of anonymous pain and great loss and despair, transforming it into a secure feeling of 'human truth' and 'the justice of everyday life'."³⁷¹



At the beginning of the 1990s, society was in a state of conflict, confusion and despair, with workers increasingly hard-pressed by corporate losses and hyperinflation, intellectuals newly traumatised and gradually withdrawing from the political scene, and the bourgeoisie uncertain about their future. So, at a time when society as a whole needed to release its emotions, the 'bitter drama' shifted people's perspective from society to the family, satisfying the needs of the masses while reaping high economic returns and achieving the bureaucratic 'ideologisation' of society in order to stabilise it and maintain its position at the top. It is fair to say that as soon as popular culture entered the social arena, it fulfilled its mission well.



Following the bitter drama, Wang Shuo's *The Collected Works of Wang Shuo*, one of the main planners of *Desire*, was published and became an instant hit, making him the first 'best-selling' author on the mainland. This was followed by Wang Shuo's wordy, gentle, politically-charged dramas, *The Story of the Editorial Department*, *Love You Without Negotiation* and *Addiction*. These dramas still played an ideological role in guiding the masses, but the political discourse was no longer there,

and everything shifted to a way of guiding the masses towards a capitalist consumer society.

At the same time, Hong Kong director Tsui Hark's *New Dragon Inn*, the Hong Kong-Chinese co-production *Qianlong*, and the Chinese version of the Hollywood romance *Youthful Impulse* were released, Chinese translations of Lin Yutang's novels were published, and Hong Kong "financial novels" by Leung Fung Yee became popular instead of San Mao and Qiong Yao. Commercial mass culture swept through China, making money and shifting the public's attention from politics to the everyday life of capitalism, unwittingly transplanting capitalist ideas into the minds of the masses. The effect was far greater than the humanitarian preaching of the 1980s.

In addition to film and television, advertising culture, karaoke and KTV, Hong Kong and Taiwanese pop stars, 'culture shirts' and groupies, VCDs and CDs, feverish influences and enthusiast culture,

³⁷¹ Dai Jinhua, *Invisible Writing: A Study of Chinese Culture in the 1990s*, p. 51.

cable television and hotlines, video games, weekend editions of newspapers, a whole range of commercial culture swept in. Culture became not only the bearer of ideological "ventriloquism", but also a place of capital accumulation, a "meritocracy" that shifted the public's attention from politics to consumption and entertainment. Young people began to follow the trends of the Western capitalist countries and became addicted to fast-food mass culture, the discussion shifted from the fate of the nation to superstars and consumer goods, and the political consciousness of young people was completely dissipated.



Thus, under the mechanisms of mass culture, "on the one hand, the strengthening of the dominant ideology, while on the other hand, the cultural market and the mechanisms of the cultural industry share more and more deeply in the power of the classical ideological apparatus and begin an uninterrupted process of transforming it into capital."³⁷²

Much of the political content was also depoliticised into commercial culture. In the 1980s, reflection on the Cultural Revolution became the order of the day, and films made from scar literature, such as *Maple* and *Furong Town*, were once banned. This was because an indictment of the Cultural Revolution could, if one was not careful, lead to a denial of the historical legitimacy of bureaucratic rule, which was always guarded by the bureaucrats and gave intellectuals the impression that they were lone heroes in the face of the old order.

These political topics were well commercialised as intellectuals went quiet and business culture took over. In 1989, a horror film set during the Cultural Revolution, *The Orphan of the Black Building* (*Right – Trans.*), was released, as were *Midnight Killers* and *The House of Fog* in 1991. These films all link political taboos with pornographic violence, both to further obscure and distort history and to alter people's memories with distorted history, and to create consumption points and capital gains.



More peculiarly, a 'Maoist fever' began in 1990, but this Mao was, of course, the commercialised 'Maoist culture'. "The "operation of the ideological state apparatus and the emergence of a specific public space, the reaffirmation of taboos and the consumption of taboos, the restatement of mainstream discourses and the desire for political voyeurism, etc. were in opposition to each other and deconstructed "³⁷³ and formed the basis for the rise of the "Mao fever. The 1990s saw the release of a series of revolutionary films, such as *The*

Opening of the Heavens and the Earth (above left – *Trans.*), *Armageddon*, *The Founding of the*

³⁷² Ibid. p. 81

³⁷³ Ibid. p 88

Republic, and *The Chongqing Negotiations*, in addition to many feature films and television series featuring Mao Zedong.

The bureaucrats wanted to use Mao to shape the historical legitimacy of their rule, capital needed Mao to create consumption to line its pockets, and the masses missed a heroic figure in the midst of social contradictions. What corresponds to these demands is that in this "Mao fever", Mao's class attributes are no longer talked about, the revolutionary goals of the revolutionary era are rarely mentioned, and Mao becomes a depoliticised "national hero", an embodiment of idealism, and a model to be analysed in terms of bourgeois humanism. At the same time, a large number of souvenirs and video consumer goods appeared, and capitalists made a fortune out of them, thus turning the great man of the revolution into a resource for commercial culture.

The "Mao fever" was accompanied by a boom in books on modern and contemporary Chinese history, especially the wild histories of celebrities and political exposés, and this was also the case with the literature and historiography of the ground stalls, where thousands of printed materials, each with a print run of tens or hundreds of thousands of copies, came to the fore. Despite the cultural ban, this was to some extent the perfect advertisement for such books, and people rushed to buy them. It was the same as the Maoist fever. While satisfying people's desire for political voyeurism, revolutionary history was 'depoliticised' and became a means of capital accumulation.

On this basis, following the popularity of *The White Deer Plain* and *The Ruined City*, "a new popular literary recipe was 'confirmed': either true or false depictions of folklore, flavour, naked sexuality, and significant, cross-cutting backdrops to events in current and contemporary history, complemented by pioneering literature, 'pure literature', realism under the banner of pure pornography, violent writing and perverted psychological depictions of male characters."³⁷⁴

In short, with the completion of the restoration of capitalism in the 1990s, the integration of China into the world capitalist system, the development of technology and the spread of television, the culture of the 1990s developed into a mass culture with commercialisation as its core essence. The essential features of popular culture are: the transplantation of ideology by means of 'depoliticisation' to justify the existing order; the encouragement of consumption and the shaping of demand in order to gain capital accumulation and to serve the capitalist economy; the operation according to the logic of capital and the market, and the rapid penetration of society as a whole by means of industrialised and mass production. Popular culture, the culture of the declining phase of capitalism, is both a witness to its demise and the last struggle of a dying capitalism.

2. The "silence" of the "culture of enlightenment"

Not only did the intellectual and cultural elite suffer from the devastation of the 1980s, but after being exploited by the bureaucratic bourgeoisie, their socio-political and economic status was no longer what it used to be, and they began to become labour aristocracy or petty bourgeois in the service of capital appreciation and bourgeois rule. Nevertheless, they remained in the middle of society compared to the working people who were increasingly enslaved and trampled on.

The modernist avant-garde art also showed the anxiety of the intellectuals at this time about the change of the times and the illusion of the "rupture" of the times. The performance art "*Dialogue*", which ended in a "shooting incident" in 1989, as well as "*Ghost Fighting the Wall*" in 1991 and "*Is it Rape or Adultery*" in 1994, show a kind of "absurd" artistic purpose, and this is precisely the

³⁷⁴ Ibid. pp. 81-82

desperation of intellectuals in the face of the huge rift between the reality of capitalist restoration and the promise of liberal fantasies and brave new worlds.

In this context, a schism within the intelligentsia emerged, namely the debate on "humanism". The essence of the debate was whether the so-called "enlightenment" of the 1980s should continue, or whether popular culture would naturally dissolve the old ideologies. Immediately afterwards, the intellectuals split into three camps: the purely academic, who were detached from the people and spread bourgeois ideology in the academic sphere; the commercialised, who became the trendsetters of mass culture in the capitalist era; or the socially active, who adhered to the views of the liberals.

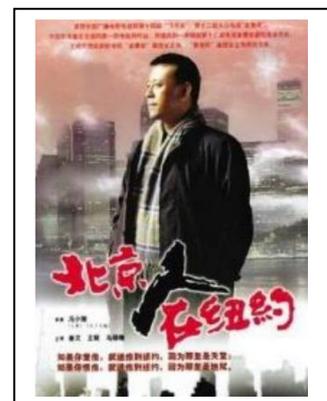
In the midst of the trend towards popular culture, pure academia was also integrated into commercial trends. The "*Scholar*" magazine launched a neo-conservative "nationalist fever", while the TV series "The Siege" was released. Qian Mu, Chen Yinqian, Qian Zhongshu and Yang Jiang, academics who were removed from the politics of society, were integrated into the commercial trend of pure academia under the trend of popular culture. "*Scholar*" magazine launched a neo-conservative "Chinese learning craze",

At the same time, intellectuals followed the 'scar literature' with the 'youth literature', which mainly boasted 'youth without regret' and in fact continued the negation of the Cultural Revolution, but highlighted the history of personal idealism. *The Bloody Twilight* is one of the most representative of these novels. This culture of intellectuals demonstrating their 'idealism' and 'unrepentant youth' also merged with the tide of commercialisation, which led to best-selling books and trips back to their hometowns. The popular music in the background, Li Chunbo's *Xiao Fang*, was also a huge hit and was sung throughout the country.



With the onslaught of commercialisation, elite intellectuals have created a culture of 'nostalgia', such as Guo Yunwen's painting *Eternal Memory*. In fact, this nostalgic culture highlights society's concerns and questions about commercialisation, whether in the pop music '*Looking Back Again*', the ballad '*You at the Table*' (Left – Trans.) or the drama '*The Stormy Weather*'. This nostalgia is a reflection of the petty bourgeoisie's unease at the growing capitalism and their powerlessness in the face of capitalist development. This "nostalgic" culture, while appealing to the interests of the petty bourgeoisie, is another masterpiece of commercialised culture.

As intellectuals became disillusioned with mainland politics and opened up further to the outside world, studying abroad became a trend, and New Oriental was born with the aim of training students to go abroad, becoming the first commercial giant in China's education industry. At the same time, the 'literature of study abroad' began to flourish. *Beijingers in New York* (Right – Trans.) was published and became a huge success.



As China began to appear to the world as a relatively backward capitalist country, Chinese intellectuals could not help but feel a great sense of loss in the face of the disappearance of their former status as

the centre of the world revolution. After the emergence of nationalist culture in the 1980s, one aspect of nationalist culture in the 1990s took the form of 'international student literature', as international students were at the forefront of the new relationship between China and the world. At this time, the construction of a nationalist culture was the common aspiration of the ideological apparatus and commercial logic.

As can be seen, the 'Enlightenment culture' of the 1980s withdrew from the Chinese socio-political scene, with some intellectuals merging with commercial culture and some, despite retreating to their study rooms, inevitably being swept up in many of their cultural movements by the tide of commercialisation and continuing to be integrated into popular culture.

3. "Depoliticised politics"

Popular culture, which is not really a popular culture, continues to carry the ideology of the bourgeoisie while the public pays for it. The horror is not that it shapes the ideology of society, but that in shaping the ideology of the bourgeoisie it also shapes the indifference of the masses to politics, their assimilation into the culture of commerce, where the laws of capitalism rule over all of society.

As popular culture caters to the labour aristocracy, the petty bourgeoisie and the owners of small and medium-sized enterprises, it has also made it its goal to shape the middle class. French fashion magazines, such as the Chinese edition of *World Fashion*, the large luxury leisure publications *Vogue* and *How*, and the relatively inexpensive *Shopping Guide*, worked to shape Chinese consumer society and the middle class. Luxury consumer goods began to appear, and TV series of middle-class interest such as "*The White-Collar Beauty*" were released. All this was a demonstration of the growth of capitalism in China and the bourgeoisie becoming the cultural mainstream.

In such a consumer culture, the public's vision is shifted from the political sphere to the trivialities of life and to luxury consumption, thus dissolving the will of the masses. On the other hand, popular culture speaks of a bourgeois ideology in which family ethics, workplace life and personal pursuits become inexhaustible resources.

On the other hand, popular culture was not accessible to workers, who were becoming more and more absolutely impoverished. The lay-offs in the restructuring of state-owned enterprises have pushed workers into a desperate situation. However, the mainstream media are using various public service films to link layoffs to family warmth and personal struggle, and to blame unemployment on the perceptions and professional qualities of workers. The theme song of the public service film, "*Start Again*", is a perfect example of this shameless effort to shirk responsibility and obscure class conflicts:

*"All the glory of yesterday has become a distant memory.
After half a lifetime of hard work and toil, tonight we walk
again into the storm
I cannot go with the flow, for the sake of the ones whom I
love.
Be strong even when it's hard, just for those expectant
eyes.
If the heart is in the dream, there is still true love between
heaven and earth.
Look at the success or failure of a life of greatness, only to
start again from scratch."*



(The subtitle is the start of the last line of the song - Trans.)

In this way, popular culture appears to be divorced from politics, but in reality it is a 'depoliticised politics' that transplants bourgeois ideology and at the same time negativises the masses towards politics, thus securing bourgeois rule. In a capitalist era of increasing class divisions, popular culture is silent on class and presents an individualistic and empirical interpretation of the human condition. It pandered to the interests of the so-called 'middle class', making the proletariat less class-conscious and a disorganised group of workers. Popular culture is in fact a collusion between the interests of bureaucratic capital, private capital and intellectuals.

Chapter 4 Towards Imperialism

Section I. The New Deal has not yet reached its essence, but the economic crisis is inevitable

I. The so-called "Hu-Wen New Deal"

1. Bureaucratic monopoly capitalism in China

With Zhu Rongji's reforms, bureaucratic monopoly capitalism was gradually established in China, and by 2003, China's new social landscape had largely taken shape. The new century was a period of further development of bureaucratic monopoly capitalism in China, and ultimately towards imperialism.

The economic basis of imperialism lies in the formation of monopoly capital and its dominance in the life of the state, the high degree of integration of interest-bearing capital with industrial capital and the formation of a financial oligarchy, which becomes the most dominant monopoly. A monopoly organisation is an association of large enterprises or enterprises with a significant position in one or several sectors of the capitalist market economy. By virtue of this dominant position, they control the production of goods in the corresponding sector, divide the product markets, factor markets and investment sites, set monopoly prices, extract high monopoly profits and control the economic lifelines of the capitalist countries.

Monopolistic organisations arise on the basis of the concentration of capital and take various forms as a result of the different degrees of socialisation and concentration of production during the development of the capitalist economy and the different degrees of mergers or alliances between large enterprises and for different specific purposes.

Cartels, syndicates, trusts and conglomerates are the four main forms of monopolistic organisations. Cartels are monopolistic alliances formed by enterprises producing similar goods, which enter into various agreements, such as dividing sales areas, setting production volumes and determining sales prices, in order to monopolise the market and earn high monopoly profits. Enterprises participating in a cartel are bound by the agreements they enter into, but each enterprise remains independent in production, commerce and law. A cartel is a primary form of monopolistic organisation, which first appeared in Germany in 1865.

A syndicate is a monopoly set up by major companies producing similar goods, which enter into agreements for the joint sale of goods and the purchase of raw materials in order to sell them at high prices and buy them at low prices. The companies participating in the syndicates remained independent in terms of production and law, but lost their commercial independence. This form was popular in Western Europe in the late 19th and early 20th centuries.

A trust is an association of a number of large enterprises producing the same type of commodity or closely related to it. The enterprises participating in the trust cease to be independent production and business units in terms of production, commerce and law, and the board of directors of the trust and the managers appointed by them unify all their activities. It is a more stable and advanced form of monopoly organisation, which first arose in the United States in 1882 and developed rapidly in the early 20th century.

A conglomerate is a monopolistic organisation formed by a number of large enterprises from different sectors of the economy. It includes both individual enterprises and other monopolistic organisations such as syndicates and trusts, industrial enterprises, commercial enterprises, transport enterprises, banks and insurance companies, etc., with the largest banks or enterprises at the heart of this large and complex organisation. The combination of financial institutions and industry in the monopoly market is most clearly demonstrated by conglomerates.

The different forms of monopoly organisation are largely determined by the degree of development of monopoly capitalism. Regardless of the form of monopoly organisation, its essence is the same. They exploit the proletariat and other social classes more severely by virtue of their monopoly position in production and markets in order to reap high monopoly profits.

Monopoly capital, by virtue of its monopoly position, achieves monopoly profits far in excess of average profits. The monopolies, with their monopoly of the labour market and their manipulation of the political apparatus, can exploit and oppress the proletariat even more cruelly and deeply; they exploit the colonial and semi-colonial peasantry, the proletariat and other masses of the people, as well as their own, by suppressing the prices of raw materials and raising the prices of sales. It also controls other countries through military and economic aggression, bloody control and plunder of natural resources and labour.

Monopoly capitalism is the inevitable outcome of capitalist development, but in China it is also historically specific, having emerged from the restoration of socialism. The Chinese bureaucratic capitalist clique has become the largest conglomerate in China and in the world by capturing the wealth of hundreds of millions of working people and accumulating it over decades. They control China's finance, energy, transport, steel, minerals, telecommunications and land, and by 2013 their output accounted for more than 40 per cent of China's GDP.³⁷⁵ They also have a firm grip on China's state apparatus of violence and ideology, and are the highest ruling class in the country.

As a result of the restructuring of SOEs, a large number of SOEs were sold off and, with the exception of the strategic sectors listed above, all other sectors were accessible and profitable to private capital. During the restructuring of SOEs, many private capitals, by virtue of their connections with bureaucrats, annexed SOEs, or the bureaucrats of SOEs were directly transformed into capitalists, capturing huge amounts of wealth and becoming big capitals at the top of society. Since the new century, these big capitals have gradually formed monopolies in the fields of automobile manufacturing, e-commerce, the Internet, software development, real estate and commerce. For example, Chery in the automobile sector, BAT and 360 in the e-commerce, Internet and software development sectors, and Wanda and Vanke in the real estate and commercial sectors.

These private monopoly capitals or big capitals are highly integrated with the bureaucratic system, or buy officials, or enter the National People's Congress or the Chinese People's Political Consultative Conference. They also have the nature of bureaucratic capital and are part of China's high-level ruling class. In 2013, the party, government and military bureaucratic bourgeoisie accounted for 64 per cent of the deputies to the NPC, private capital for 23 per cent, senior intellectuals and technicians for 9 per cent, and grassroots workers and peasants for only 4 per cent. It is clear that the Chinese government is entirely the agent of bureaucratic capital and private capital.

³⁷⁵ Data quoted from the National Statistical Yearbook.

Through the development of the Hu-Wen era, the pattern of bureaucratic monopoly capitalism in China was basically formed, and the whole society was controlled by both bureaucratic and private monopoly capital. Moreover, among the bureaucratic and private capital, industrial capital was highly integrated with banking capital to form financial capital, which controlled the lifeblood of the Chinese economy.

Monopoly capitalism is a corrupt and decadent form of capitalism. Firstly, the formation of monopoly capitalism has seriously hindered technological progress and the development of the productive forces. During the period of liberal capitalism, capitalists had to constantly promote technological progress in order to make excessive profits and to win in competition, otherwise they would be eliminated from the market. In monopoly capitalism, however, monopoly capital controls the production of certain sectors or even all the important sectors of the economy and is able to make excessive profits by setting monopoly prices. In this way, the incentive for technological progress is somewhat weakened.

With low labour prices, the use of new technologies tends to increase the organic composition of capital and thus reduce the rate of profit, and capital is profit-oriented, so that capitalists are not inclined to innovate. Moreover, the introduction of new technologies may lead to the emergence of new competition that affects the interests of monopoly capital, for example, Edison suppressed Tesla's alternating current technology because it feared for the interests of its own direct current plant.

Secondly, the monopoly bourgeoisie has increasingly become a mere profit taker. In a free capitalist enterprise, the capitalist has the role of manager and possessor of the capital "so that the class of profit-takers, or rather the class of profit-takers, who live by 'cutting coupons', do nothing at all and spend their days idly, grows considerably". The bourgeoisie, especially the monopoly bourgeoisie, was completely disconnected from the production process and lived a parasitic life on the basis of income from securities such as shares. "Thus, the class of rentiers, or to be more precise, the rentier class, who lived on 'coupon-cutting', who did nothing at all, and sat idle all day long, grew enormously."

Once again, monopoly capitalism has become politically reactionary and the social crisis has become increasingly serious. In the free-for-all phase of capitalism, the bourgeoisie also uses "democracy", "freedom", "equality" and "fraternity" as a cover to hide the essence of bourgeois dictatorship. At the imperialist stage, these false "veils" were removed and monopoly capital took firm control of politics, in China in the form of bureaucratic dictatorship and in the USA through the exercise of democracy in elections and parliament. In short, democracy also exists in name only within the bourgeoisie, and monopoly capital has complete control over politics.

Finally, in line with economic and political developments, monopoly capitalism has become increasingly decadent in terms of ideology and cultural life. In imperialist countries, books, newspapers, films and games with murderous, pornographic and consumerist content flooded the market, and instead of the uplifting works of the capitalist ascendancy, all that remained were decadent, desperate wails or cheap entertainment.

2. The so-called "new rural development"

After the deterioration of the 1990s, Hu's and Wen's countryside is one of economic decay, political darkness, cultural decay and sharp class conflicts, with agricultural taxes and fees being the most

prominent focus of struggle. The reproduction of peasant labour was difficult to calculate and the various taxes and fees had led to violent protests in various areas. This not only endangered the rule of the bourgeoisie, but also increased the cost of tax collection. At the same time, with the development of industry and the decline of agriculture, as well as the reform of central government finances, agricultural taxes no longer occupy a significant place in GDP, accounting for only one per cent of all taxes in 2004.

Under such circumstances, it would have been better to waive the agricultural tax than to collect it at high cost, which would have led to resentment among the peasants, and this is precisely the fundamental reason why the agricultural tax was waived during the interregnum. This was not a gift from the emperor, nor was it a love for the people from the central government, nor was it a so-called service to the people, but rather a class struggle, the result of the peasants' resistance to the bureaucratic capitalist exploitation of the countryside.

At the 19th meeting of the Standing Committee of the 10th National People's Congress (NPC) on 29 December 2005, a decision was passed with a high vote to repeal the Agricultural Tax Ordinance with effect from 1 January 2006. The standard of living of farmers has been improved to a certain extent and agriculture has developed to a certain extent.

In response to the decay of the countryside, on 21 February 2006, the State Council issued the *"Opinions of the Central Committee of the Communist Party of China on Promoting the Construction of a New Socialist Countryside"*. However, none of these policies can change the fact that smallholder production can no longer be more productive, and that the exploitation of farmers by seed companies, fertiliser companies and agricultural commercial companies has made it impossible to reproduce labour in most areas.

In many places, local and grassroots bureaucrats have merged with the capitalist mafia to deny peasants legal compensation and use various violent means to evict them, leaving those who are able to work as a proletariat and those who are incapacitated to die. This led to a new round of peasant struggles, namely the struggle over compensation for land expropriation.

The peasants also knew that the countryside was simply unliveable, and this was especially true for the new generation of rural people. The rural workforce began to move into the cities on a scale far beyond that of their nineties, becoming 'migrant workers'. By the end of the decade, the agricultural workforce was ageing so severely that, according to Li Changping, an expert on agricultural issues, in 2009 "58 million children and 40 million elderly people were left behind in the countryside, and those left behind were all old, sick and disabled. The agricultural labour force fell from 391 million in 1991 to 150 million in 2009." And Zhu Qizhen, director of the Institute of Farmers' Issues at China Agricultural University, concluded that by 2009, "the ageing of the resident rural population had exceeded 30 per cent, with the average age of those working in agriculture reaching 57 years. The majority of the rural labour force is over 50 years old."

The abolition of agricultural taxes and the construction of new rural areas are unlikely to fundamentally reverse the decline of Chinese agriculture. Pollution from fertilisers and pesticides, water pollution and resource shortages, potash and phosphate fertilisers, and so on, have shattered the promises of the paradise of separate farming. China's production of food grains and oil crops, the two most basic means of subsistence, has failed completely to meet the basic standard of self-sufficiency.

"While the self-sufficiency rate for rice, wheat and maize is above 99%, the self-sufficiency rate for oil crops is very low. In 2010, total grain production was 546.41 million tonnes and in 2011 China produced a record 571.21 million tonnes of grain, reaching the level planned for 2020. Grain production may seem high, but when imports of soybeans, cooking oil and meat are taken into account, China's grain self-sufficiency rate is just under 90% by weight. If we take into account that soybeans are a high-protein, high-calorie, low-yield grain (not only for oil production, but also as animal feed and an indirect food ration for humans), then China's grain and oil self-sufficiency is estimated to be less than 80%. In addition, many people in western China consume relatively little meat, eggs and milk, and if these people consume more meat, eggs and milk, then the shortfall in China's food demand will increase."

The fundamental direction of development of agriculture was socialised mass production, and this was either towards capitalist modernised mass production under the capitalist wave, with the peasants becoming completely proletarian, or towards socialist socialised mass production through the triumph of a new socialist revolution.

Since 2007, especially after the Wenchuan earthquake, the leaders have been talking about the transfer of land, the aim of which is nothing more than the capitalist concentration of land, the contracting out of land to large farmers for capitalist production. In contrast to the big capitalists on the land, hundreds of millions of landless peasants will be thrown into society and become a proletariat, living in slums and selling their labour to the capitalists.

Another model of agricultural capitalism is the 'company + farmer'. This so-called modern model of agriculture is nothing more than an early capitalist cottage industry dressed up in the garb of "technology for agriculture" and then reappearing in the expansion of rural capital.

In addition, after the abolition of the agricultural tax, the central government provided certain subsidies to the rural areas, and established a series of welfare systems such as the rural low income insurance, compulsory education and the new agricultural cooperative, all of which tried to alleviate the acute conflicts in the rural areas. However, alleviation is still alleviation and cannot solve the problem at root. Despite the new agricultural cooperative and compulsory education, education and health care in the countryside had long since declined in the 1980s and 1990s. Educational and medical resources were concentrated in the cities, especially the big ones, and the peasants were deprived of access to education and medical care.

It can be seen that the improvement policies implemented in the countryside under Hu Jintao and Wen Jiabao were in fact the result of class struggle in the countryside and did lead to a certain improvement in the living standards of the peasants, but this could not solve the problem of small production and backward productivity. In a capitalist society, there was an inevitable move towards capitalist agricultural production, which, together with urbanisation, led to a new era of land enclosure. This led to a new round of struggles in the countryside, mainly over compensation for land expropriation. At the same time, the peasants are increasingly losing their means of production and joining the proletariat. By 2012, the number of peasant workers had reached 260 million, and basically the entire rural population had become proletarian, with the exception of the elderly, children and other weak or non-working people, as well as a small number of people who had become bourgeois and some who had moved to the cities to engage in small-scale production.

3. Urbanisation

As property prices soared, more and more of the urban proletariat and petty bourgeoisie could not afford to buy housing. As a result, during the Hu-Wen era, China began to build low-cost and affordable housing on a large scale. However, again due to the corruption of the bureaucracy, most urban workers were denied access to affordable or low-cost housing, and many went to the well-connected bourgeoisie. Moreover, although migrant workers are counted as permanent urban residents, they are not treated as urbanites here.

The marketisation of health care and education is also increasingly troubling the urban proletariat and small producers. Health and education resources are increasingly allocated according to the logic of the market, i.e. profit maximisation, and as a result there is a high concentration of resources in the cities, especially in the first-tier cities. In the cities, there is a concentration in the schools and hospitals of the aristocracy, which are beyond the reach of the common people. Even the most ordinary education and health care have become a heavy burden for ordinary families, and there are many cases of people returning to poverty because of illness, and of those who cannot afford to go to school or see a doctor because they are poor.

Despite the gradual implementation of the social insurance system and the gradual introduction of 12-year free education during the Hu-Wen period, these could not fundamentally change the market distribution of education and health care. For the proletariat, education and health care remained a major burden for families, and it was difficult for children to enter good universities and achieve class mobility under very poor conditions.

Thus, Hu-Wen's policy of improvement in the cities could not fundamentally solve the problem of the division between the rich and the poor brought about by capitalism, and the distribution of cultural and material resources according to money, with education, health care and housing increasingly becoming the three great mountains over the heads of the people. In fact, only through struggle can the proletariat gain more benefits, and only through revolution can it regain power and become the master of the country.

2. The Global Economic Crisis

1. Root causes of the economic crisis

With the establishment of the "three-horse cart", China's economy entered a new period of high growth from 2003 onwards, with economic growth being driven mainly by heavy industrial investment. In the five years from 2003 to 2007, the growth rate of social fixed asset investment remained above 25 per cent on average, driving the development of China's capitalist economy at a high rate and keeping the average nominal GDP growth rate above 10 per cent from 2003 to 2007.³⁷⁶

The steel industry, for example, accounted for 7 per cent of total industrial output and 22 per cent of profits in 2003, triggering a fever for private enterprises to "make steel" and a 100 per cent annual increase in steel investment. In 2005, investment accounted for more than 53 percent of GDP.³⁷⁷ Of the total investment in 2004, 65% came from non-state investment entities, and the proportion rose to 71% in the first quarter of 2005.

³⁷⁶ China Statistical Yearbook

³⁷⁷ Wang Jian: "*The contradiction of overproduction has begun to brew*", in Outlook News Weekly, No. 27, 2005.

Investment in machinery and equipment manufacturing is generally divided into two stages, one is the civil construction stage, and the other is the equipment installation stage. After these two stages are over, it will enter the production supply stage. In this round of investment in China, the civil construction phase was completed from 2003 to 2005, and the equipment installation, commissioning and trial production phase was completed from 2006 to 2007. Since 2008, mass production capacity has been put into operation. In 2006, it entered the final stage of investment, and the growth rate of investment in new projects dropped. In the first five months of 2005, the investment growth rate of new projects was 24%, and in the first five months of 2006, it was 23.6%.³⁷⁸

Along with economic growth, the basic contradictions of capitalism are also developing. In 2005, of the 600 main consumer goods, 172 (28.7 per cent) were in basic balance, while 428 (71.3 per cent) were in oversupply, with no goods in short supply. Among the oversupplied goods, the proportion of beverages, clothing, textiles, home appliances and household goods was higher.³⁷⁹ From 2006 to 2007, of the 300 main means of production, 72.7 per cent were in balance, 23 per cent were in oversupply and 4.3 per cent were in short supply.

Tight supply and demand and in short supply commodities are mainly concentrated in the energy, non-ferrous metals and wood markets. In the first half of 2006, there was an overall surplus of 48 major products in China, with the exception of oil and natural gas. The total vacant area of commercial housing reached 130 million square metres, together with the houses purchased by developers and stored in secret, amounted to 150 million square metres, resulting in high housing prices and vacancies on the one hand, and residents sighing in frustration at the prospect of housing on the other; there was an overproduction of 2 million cars, with a domestic demand of 6 million cars and an actual production capacity of 8 million cars. In 2006, the total demand for coal was 2.17 billion tonnes and the total supply was 2.45 billion tonnes, with exports of 0.08 billion tonnes; the production capacity of iron and steel was 470 million tonnes at the end of 2005, with actual demand of 350 million tonnes, and the production capacity will reach over 600 million tonnes in 2010; the installed power generation capacity was 700 million kilowatts in 2005 and will reach 1 billion kilowatts in 2020, with the electricity consumption capacity not exceeding 600 million kilowatts.³⁸⁰

Since its accession to the WTO, China has become integrated into the world economy and its basic contradictions are inseparable from those of world capitalism. Both the demand for investment and the demand for exports are closely linked to the world market. By virtue of its monetary hegemony, the US buys products all over the world in US dollars, while other countries invest their surplus in US national bonds. As a result, the US has become a complete deficit country, able to use the savings of other countries to do anything that benefits the US, including waging war. Other countries, in order to sell their surplus products, have to continue to export them to the US and exchange their dollars for US treasury bonds, of which China is the biggest debtor and supplier to the US.

China's high economic growth presupposes continued growth in Chinese exports; high growth in Chinese exports presupposes that the US continues to import large amounts, which depends on the

³⁷⁸ Zhao Xuefang, *'New changes in China's economic growth pattern and overproduction'*, in China Finance, No. 15, 2006.

³⁷⁹ *'China's Overcapacity Adds to Social Instability'*, in Carrier General Observer, 2005.

³⁸⁰ Huo Mingyuan, *"Overproduction: A precursor to economic crisis"*, 2007

US economy and US financial markets continuing to prosper; and for the US economy to continue to grow, it must be driven by the stock and real estate markets; for the US stock and real estate markets to prosper, creditor countries such as China and Japan must continue to invest in the US, while global profits continue to flow to the US; for China to continue to invest in the US, it presupposes that China still has a large trade and capital surplus; and for China to run a current account surplus, it presupposes that Chinese exports continue to grow at a high rate.

However, such a chain cannot continue to operate under the production anarchy of global capitalism. Once one link is broken, the entire chain cannot function. In 2007, the subprime mortgage crisis broke out in the United States, which triggered a world economic crisis that lasted for many years.

Capital seeks to constantly increase in value. However, the contradiction between relative excess production and absolute shortage of consumption leads capital to constantly seek new markets. As the world was flooded with capitalism and integrated into the imperialist system, capital had to expand in time. As a result, the financial sector began to expand and lending for consumption and financing began to emerge in the developed capitalist countries. As early as the mid-1990s, the financial sector in the US was already accounting for more of GDP than manufacturing, and by 2007 it was generating 40% of the profits of all US companies, with a staggering value of mortgage-backed assets of all kinds.

In the first half of the 1990s, the U.S. stock market had been fluctuating around 3,000 points, but after 1997, it jumped to nearly 10,000 points. When the stock market pulled back, the Federal Reserve adopted a policy of monetary injection to keep the stock market bubble from bursting too badly - another breakthrough after the dollar abandoned its peg to gold, i.e., it stopped putting money in pennies on the dollar in 2001 to maintain the bubble. In 2001, when the speculative boom in the US was triggered by the dot.com economy, the Federal Reserve still used monetary injection and lower interest rates in order to maintain the bubble and make up for the banks' investment losses. As a result, the US economy became more and more distant from the real volume of money, but because the huge amount of money released by the Fed continued to spread to the rest of the world, prices did not rise much and inflation remained low, despite years of high money injections.

As a result of the growing contradiction of overproduction and the quest for huge profits, financial operators relaxed credit quality and led Americans to borrow and consume until they lent money to "obviously insolvent borrowers", for example in the real estate sector, to consumers who could not afford to buy a home at all, thus blowing up another and a bigger bubble. The financial speculators securitised and magically packaged and repackaged these relaxed credit assets into a variety of complex derivatives, which were then turned into treasures, earning AAA ratings in the market, and immediately satisfying the huge demand from US pension funds, insurance companies, asset management companies and investors worldwide, including China.

Ultimately, the subprime mortgage crisis erupted due to the limited spending and repayment capacity of the vast majority of consumers. As a direct result of the crisis, the US Federal Reserve raised the federal funds rate from 1 per cent to 5.25 per cent in 17 consecutive interest rate hikes over a two-year period up to June 2006. The sharp rise in interest rates has increased the burden of mortgage repayment on homebuyers. Moreover, since the second quarter of 2005, the US housing market has begun to cool significantly. As home prices have fallen, it has become difficult for homebuyers to sell their homes or obtain financing through mortgages. The crisis in the sub-prime

mortgage market began to emerge and intensify as many borrowers in the sub-prime market were unable to meet their mortgage payments.

2. The spread of the crisis and the response of the Chinese bourgeoisie

As the sub-prime crisis continued to heat up, in 2008, Lehman Brothers filed for bankruptcy on 14 September after the US Federal Reserve refused to provide financial support and on the same day Merrill Lynch announced its acquisition by Bank of America. The following week saw a global stock market crash, with global stock markets plummeting in value on 15 September and 17 September. From September 2008 to March 2009, the crisis swept through Europe, Japan, South East Asia and China, plunging the world into financial crisis. As a result of the financial crisis, the financial chains broke down, thus triggering a further global economic crisis. The economic crisis hit China's exports hard, with monthly export growth falling from 51.6 per cent in February 2007 to 21.7 per cent in December, and caused credit problems for foreign importing companies.

As a result, a crisis of overproduction broke out in China and a large number of coastal factories began to close down, leaving a large number of workers unemployed.

In the "three-horse cart," the economy was hit hard by weak exports. In 2008, China's real GDP growth fell to 3.5 per cent and nominal GDP growth to 9.7 per cent, and the recession was accompanied by significant inflation. At this point, China's bureaucratic bourgeoisie could only hope for inflation on two other coaches. The first was investment, and because the centre had enormous financial resources, a stimulus package totalling four trillion dollars was introduced at an executive meeting of the State Council on 5 November 2008. China began to build infrastructure projects such as high-speed railways on a large scale, as well as the construction of Olympic venues and the post-earthquake reconstruction of Wenchuan. In addition to the four trillion dollars allocated by the central government, local governments borrowed on a large scale, with the size of local debt reaching 20 trillion dollars.

At the same time, the central bank adopted an accommodative monetary policy, lowering the benchmark interest rates for deposits and loans and lifting restrictions on the size of loans, resulting in new loans of 470 billion yuan in November and 770 billion yuan in December 2008 and 162 trillion yuan in January 2009. China's economic development also began to take the path of a borrowing economy. The government also adopted the policy of sending home appliances and cars to the countryside to subsidise consumption, thereby boosting domestic demand. As a result of these measures, the Chinese government's fiscal deficit has soared and its debts have risen to a high level, triggering even greater inflation and shifting the costs of the economic crisis onto the entire population.



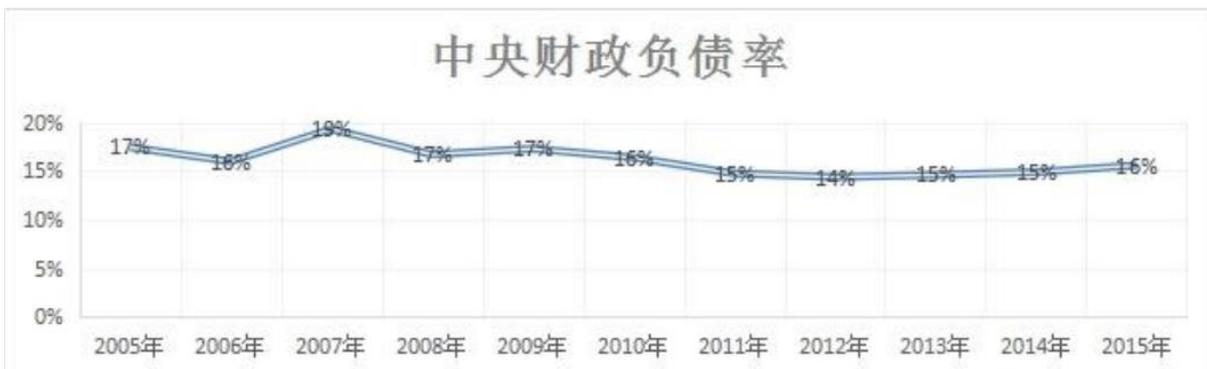
Left: Total social fixed asset investment growth rate - Trans.



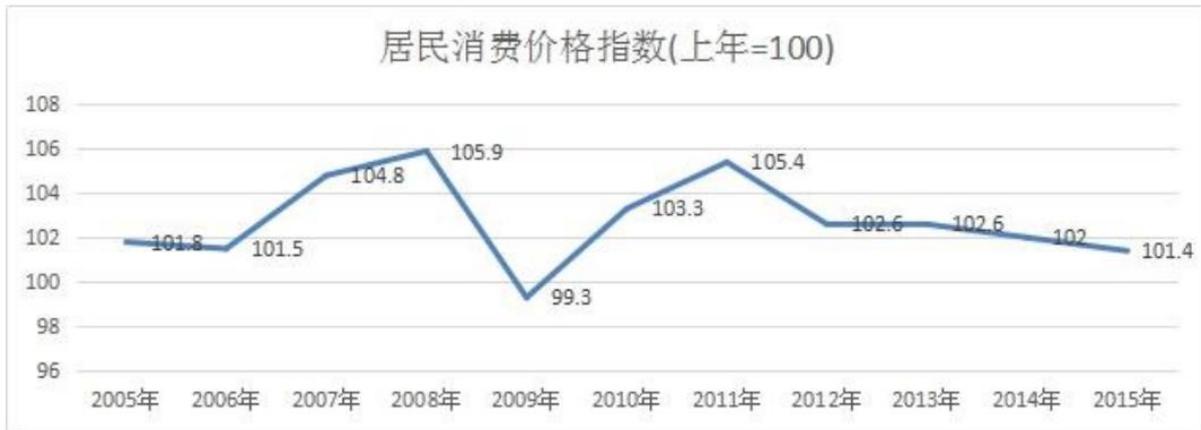
Above: National Fiscal Deficit Ratio – Trans.



Above: Central fiscal debt balance (billion yuan) – Trans.



Above: Central fiscal debt ratio – Trans.



Above: Consumer Price Index (previous year = 100) - Trans.

In addition, these initiatives have shifted economic pressure to the financial sector, while creating a further expansion of productive capacity that, if the next financial crisis were to occur, would once again trigger an economic crisis that would be far more violent than this one.

Moreover, although China has temporarily avoided greater damage from the economic crisis through investment and borrowing, the crisis of overproduction in China has become increasingly acute as the world economy has not emerged from the economic doldrums for a long time since then. China's strong financial means and its previously unparalleled condition of low social debt have helped to delay the impact of the economic crisis, but this cannot fundamentally resolve the fundamental contradictions of capitalism, so China will continue to face the contradiction between relative overproduction and absolute under-consumption, and the economy will remain weak.



Above: Real GDP (red) vs nominal GDP (blue) trend chart. Dotted line is the percentage growth rate of real GDP – Trans.

China's capital exports have grown dramatically as a result of growing domestic conflicts. China's net foreign direct investment rose from \$26.5 billion in 2007 to \$87.8 billion in 2012, as it began to

export capital and gradually move towards imperialism in the face of its own growing capitalism and a worsening economic crisis.

3. The development of the workers' movement

With the further development of capitalism, the proletarian community grew, as did proletarian consciousness, and the proletarian struggle became increasingly sophisticated.

Firstly, the subject of rights protection has changed. Between the mid-1990s and 2004, collective rights actions were mainly taken by workers laid off from state-owned enterprises and those in employment, whose demands focused on financial compensation, re-employment, and punishment of corrupt corporate managers and government officials. Their demands focused on the payment of unpaid wages, improved working conditions and shorter working hours.

In 2005-2006, collective actions, mainly by unemployed and laid-off workers and retired and retrenched workers (urban workers) and mainly by migrant workers, continued to take place, and on this basis, the former workers of restructured state-owned enterprises (urban workers) also began to fight for their rights and interests by means of strikes. The basic demands of urban workers and migrant workers for collective action were converging.

From 2007 onwards, new workers are gradually becoming the majority, with the industrial workers struggling the most, and it is clear that a new generation of proletarians is becoming the mainstay of the workers' movement in China. Their demands centre on the payment of unpaid wages, improved working conditions and shorter working hours, and in the aftermath of the '08 economic crisis, workers' collective action for financial compensation for factory relocations, closures, redundancies and sales accounted for a large proportion of the demands. As the collective struggle intensified, there were also demands for wage increases, the legal purchase of social security by companies, and, more politically, for the establishment of independent workers' unions to effectively protect workers' rights.

Secondly, there has been an increase in the number of collective labour disputes. 350,000 labour disputes were filed and accepted by labour dispute arbitration committees at all levels in 2007, an increase of 10.3 per cent over 2006, involving 650,000 workers, including 13,000 collective labour disputes involving 270,000 workers.

In the second half of 2008, a large number of manufacturing and processing enterprises in coastal areas closed down and some employers fled after defaulting on wages, economic compensation and social insurance contributions, leading to a large number of collective labour disputes and even mass incidents. As of the end of November 2008, the total number of arbitration cases filed by the Guangzhou Labour Dispute Arbitration Department in Guangdong Province had exceeded 60,000, equivalent to the total number of cases filed in the previous two years. In Dongguan City, Guangdong Province, 40.5 per cent of such mass incidents involved workers blocking major traffic routes, 22 per cent involved collective petitions and 8.1 per cent involved strikes.

Thirdly, the scope of the struggle is expanding; after 2008, with the development of Internet technology, information and public opinion can be disseminated more cheaply and easily, which makes up for the lack of organisational resources in the action. During the strike, mobile phone messages and microblogs were used as means of communication to convey information about the

action and to call for action. Although these collective actions still lack a mature form of organisation, they can bring people together in a virtual space in the shortest possible time after the event and disseminate information in time to attract the attention of the media and society.

After the Nanhai Honda strike was launched in May 2010, posts about the strike immediately circulated on the internet; workers set up a QQ group called 'Unity is Victory'. Through this QQ group, they were able to keep track of the strike, media reporters were able to follow it, and lawyers and labour rights activists were able to provide professional advice.

On 9 June 2010, workers at Honda Locks in Zhongshan City, Guangdong Province, went on strike to demand higher wages from management. According to foreign media, just hours after the strike began, workers began posting details of the strike on the internet, with one worker saying, "We videotaped the strike on our mobile phones and decided to post the videos online so that everyone could see how unfairly we were being treated."



The success of the Nanhai Honda strike has facilitated a series of collective actions by workers at factories associated with Japanese automotive manufacturing products. Since the Nanhai Honda strike on 17 May 2010, as of 16 July 2010, more than 20 auto parts supplier companies have gone on strike in the Pearl River Delta region.

The main form of collective action by active workers is the strike. Strikes, ranging in number from tens to tens of thousands of people, take place in factories where normal production is taking place and where strikers stop work spontaneously and without warning. Since strikes are not strictly prohibited or regulated by law and pose a direct threat to the normal production and business order of the management, they are widely used by workers and are the main form of collective action. Moreover, in some cases, pickets were set up to block access to the means of production and products.

Finally, the level of the workers' movement has risen considerably in the intervening years. Firstly, workers' demands have become increasingly radical, ranging from demands for compliance with the law in factories, to demands for basic wages above the legal minimum wage, to demands for

independent trade unions and social security rights. Secondly, the tactics of struggle became more sophisticated and began to take to the highways in order to attract the attention of the public and the government, and in 2007 workers from two factories belonging to the same foreign company launched a joint strike. Thirdly, the scale of the strikes is increasing.

The workers' struggle also forced the Chinese government to grant the proletariat a number of legal rights. As evidenced by Li Boyong's speech, the 1993-1994 strikes led to the introduction of a labour law, and the 2004-2005 strikes were followed by the introduction of a labour contract law in 2007, which strengthened workers' individual and collective rights, as well as the Labour Dispute Arbitration Law and the Employment Promotion Law. At the local level, the statutory minimum wage increased significantly following the 2004-2005 strikes.

However, these only improved the slave-like life of the proletariat. Only when the proletariat overthrows the capitalist machine of violence through revolution, when it overthrows the dictatorship of the bourgeoisie and establishes the dictatorship of the proletariat, will it be truly liberated. And only through the practice of struggle and the class consciousness of the proletariat inspired by the vanguard will the proletariat gradually grow into a force capable of shaking the entire capitalist world, and then the bourgeoisie can only tremble before the struggle of the proletariat!

Section 2: "One Belt, One Road, Asian Investment Bank", Emerging Imperial Ambitions in All Directions

I. Capitalist expansion and imperialist policies

1. The Third Plenary Session of the 18th Central Committee

By 2013, China's bureaucratic monopoly capitalist society was well established and had undergone a degree of improvement and development. On 12 November, the Third Plenary Session of the 18th Central Committee was held and formulated the *Decision on Several Major Issues of Comprehensively Deepening Reform*, which stated that:

"The core issue is to deal with the relationship between the government and the market, so that the market can play a decisive role in the allocation of resources and the government can play a better role. It is a general rule of the market economy that the market determines the allocation of resources, and a sound socialist market economy system must follow this rule and focus on solving the problems of an imperfect market system, excessive government intervention and inadequate supervision."³⁸¹

This in effect reaffirms the nature of bureaucratic monopoly capitalism in China and continues to make it an important issue to continue to clarify the respective domains of bureaucratic and private capital. The government still controls the economy mainly through market instruments, that is, capitalist market instruments such as land, strategic monopoly capital, and finance, while all other areas are profitable for private capital, except for those captured by state capital.

At the same time, with the restructuring of state-owned enterprises already largely completed, the Third Plenary Session of the 18th Central Committee introduced measures for the mixed reform of state-owned enterprises that

"Actively develop a mixed-ownership economy. A mixed-ownership economy in which state-owned capital, collective capital and non-public capital have cross-shareholding and mutual integration is an important form of realisation of the basic economic system. More state-owned economies and economies of other ownership systems are allowed to develop into mixed-ownership economies. State-owned capital investment projects allow non-state-owned capital to participate in the shares."³⁸²

The hybridisation of SOEs may seem to many to jeopardise the base of bureaucratic capital, but in fact it is the way of imperialist monopoly. By using a certain amount of capital to leverage a larger amount of capital than that, and by taking control at different levels, it is possible to control a much larger amount of capital than its own. This in turn facilitates the consolidation of the power of capital by the state monopoly capitalist groups for the export and hegemony of imperialist capital on a much larger scale.

In the countryside, the Decision confirms the fact of land transfer and lays the legal basis for the capitalisation of agriculture:

³⁸¹ Huo Mingyuan, "*Overproduction: A precursor to economic crisis*", 2007.

³⁸² Ibid.

"A unified urban and rural construction land market will be established. Under the premise of compliance with planning and use control, rural collective land for business purposes will be allowed to be sold, leased or bought into the market, and will be put on the same footing as state-owned land, with the same rights and prices. The scope of land requisition should be narrowed, land requisition procedures should be standardised, and a reasonable, standardised and diversified protection mechanism for farmers whose land has been requisitioned should be improved. Expand the scope of paid use of state-owned land and reduce the allocation of land for non-public purposes. Establish a mechanism for the distribution of land value-added revenue that takes into account the state, the collective and the individual, and reasonably increase individual revenue. Improve the secondary market for land leasing, transfer and mortgage."³⁸³

At the same time, there was further marketisation of the financial sector and continued encouragement of financial instruments to delay the crisis. By this time, China had sufficient capital and industrial strength to join the international financial system and further control international finance as a whole, and the Decision therefore also set out to expand the degree of integration with international finance, laying the foundations for the establishment of financial hegemony.

"Improve the financial market system. Expand the opening up of the financial sector to the outside world and, under the premise of strengthening supervision, allow eligible private capital to establish small and medium-sized banks and other financial institutions in accordance with the law. Promote the reform of policy-oriented financial institutions. Improve the multi-level capital market system, promote the reform of the registration system for stock issuance, promote equity financing through multiple channels, develop and regulate the bond market, and increase the proportion of direct financing. Encourage financial innovation and enrich the levels and products of the financial market.

Improve the market-based formation mechanism of the RMB exchange rate, accelerate the marketization of interest rates, and improve the yield curve of government bonds to reflect market supply and demand. Promote the two-way opening of the capital market, increase the convertibility of cross-border capital and financial transactions in an orderly manner, and accelerate the convertibility of the RMB capital account."³⁸⁴

As can be seen, the Third Plenary Session of the 18th Central Committee, which fully established the capitalist system in all areas of the economy, reaffirmed the respective areas controlled by bureaucratic capital and private capital, and prepared China for the export of imperialist capital and the struggle for hegemony.

2. Supply-side reform

Since capitalism itself cannot overcome its own fundamental contradictions, the crisis of overcapacity has become increasingly serious, despite the fact that China's bureaucratic capital spent heavily on infrastructure development to boost domestic demand after the economic crisis of 2008. In all sectors of the Chinese economy, overcapacity is already very serious.

³⁸³ Ibid.

³⁸⁴ Ibid.

The real estate sector, which is the most important receipts for economic growth in capitalist countries, is already seriously overstocked. The statistics bureau has announced that there are 71,416,000 square metres of housing in stock, but a large proportion of the sales are actually investment properties, and a large proportion are purchased by property developers in name only, not for their own use, so when all these vacant properties are taken into account, the real estate surplus in China is far more serious than reported.

The real estate surplus has caused a downturn in the real estate sector, with national real estate development investment of RMB788.01 billion from January to October 2015, representing a nominal growth of 2.0% year-on-year, compared to a growth rate of around 20% that was largely maintained in 2013. As the contribution of China's real estate investment growth to GDP growth has remained at around 50%, the sharp fall in real estate development investment growth has in turn led to a serious surplus in many real estate-related sectors, such as China's steel, cement, electrolytic aluminium and flat glass, all of which have capacity utilisation rates of around 70% in industrial sectors directly related to real estate investment.³⁸⁵

The steel industry is an important basic industry for the national economy and is technology-, capital- and energy-intensive, but it is also one of the industries with the most serious and influential overcapacity. From 2012 to 2015, China's crude steel production capacity was 1 billion tonnes, 1.04 billion tonnes, more than 1.1 billion tonnes and nearly 1.2 billion tonnes, while crude steel output was 720 million tonnes, 779 million tonnes, 823 million tonnes and 803 million tonnes respectively. The capacity utilisation rate was 72%, 74.9%, less than 74.8% and less than 67% respectively. Domestic steel consumption is expected to fall further to 648 million tonnes in 2016 and capacity utilisation will also decline further.³⁸⁶

Cement and coal are also in serious surplus. the capacity utilisation rate of cement clinker in China remained low at 64.5% in the first half of 2016. By the end of 2015, the total size of coal in China was 5.7 billion tonnes. If we calculate the effective production capacity of coal industry at 4.7 billion tons and the production of raw coal at 3.7 billion tons in 2015, the capacity utilization rate of coal in China is only 78.8%. As a result of the overcapacity, coal prices have continued to decline, corporate profits have deteriorated significantly and the number of loss-making enterprises has increased significantly.

At the beginning of 2010, there were still more than 3,000 shipbuilding enterprises in China, and there were about 400 enterprises above designated size. In 2011, a large number of small and medium-sized enterprises stopped production, and in 2012, there was a wave of bankruptcy. Some industry insiders even predicted that "50% of China's shipyards will be bankrupt within 3 years".

Overcapacity has caused a large number of workers to lose their jobs. Fathom Consulting's statistics show that when discussing the unemployment rate for the urban population alone, compared to the official nationwide statistics, which have been flat at 4%-5% for many years, the hidden unemployment rate is actually as high as 12.9%, almost three times the official figure, and historical

³⁸⁵ China Industry Information Network.

³⁸⁶ Phoenix Finance Channel, China Business Intelligence.

data from Fathom shows that, in their terms, in 2012 it was still very close to the official figure, but in recent years it has been rising rapidly.³⁸⁷

In response to this serious overcapacity crisis, China's bureaucratic capital wanted to address it through supply-side reforms, and at the beginning of 2016 the Central Economic Work Conference set out the task of "removing capacity, de-stocking, deleveraging, reducing costs and mending shortcomings".

To cut overcapacity is to eliminate excess production capacity, in fact, to bankrupt small businesses and further aggravate monopoly. The Central Economic Work Conference at the beginning of 2016 set out the target for the elimination of excess steel production capacity: starting in 2016, a further reduction of 100-150 million tonnes of crude steel production capacity over a five-year period. By September, 80% of the target had been achieved. The task of removing capacity in the steel industry will result in some 2 million steel workers losing their jobs. To mitigate the outbreak of the unemployment crisis, the government allocated 100 billion yuan in 2016 for unemployment benefits for unemployed workers, but this is far from enough to solve the employment difficulties faced by workers. The coal sector was tasked with removing 250 million tonnes of production capacity in 2016, a direct result of the reduction in steel production capacity.

De-stocking mainly refers to the digestion of the huge real estate inventory and the gradual resolution of the real estate surplus crisis, mainly through the adoption of various policies, such as lower down payments, Central Provident Fund (CPF) loans, lower prices of commercial properties, public rental housing policies for both sale and rent, and the possibility for migrant workers to enter households in the cities, thus encouraging the proletariat to purchase homes and putting the hope of digesting the real estate inventory on the proletariat. However, the vast majority of the proletariat did not have the means to purchase homes, and as a result, there was a short-lived housing boom in the first half of 2016, mainly due to the turbulence in the stock market and the entry of stock market capital into the property sector.

This in turn triggered a real estate investment boom. From January to September 2016, national real estate development investment amounted to RMB745.98 billion, up 5.8% year-on-year in nominal terms and 7.1% in real terms, a growth rate 0.4 percentage points higher than that of January to August. Among them, residential investment amounted to 499.31 billion yuan, up 5.1%, a growth rate of 0.3 percentage points higher. Residential investment accounted for 66.9% of real estate development investment.³⁸⁸

As at the end of 2016, the inventory of commercial housing in China, i.e. the area of existing homes for sale, was approximately 426 million square metres, with a de-stocking cycle of 23 months; the inventory of term homes, 3.57 billion square metres, had a de-stocking cycle of 4.5 years. On this basis, if the housing supply were to increase by a further 10 per cent per year, the supply of commercial housing in China would reach 8.82 billion square metres over the next five years.³⁸⁹ Thus, not only does the de-stocking of real estate multiply China's national debt ratio, creating the

³⁸⁷ NetEase Finance

³⁸⁸ "National real estate development investment and sales from January to September 2016" published by the National Bureau of Statistics

³⁸⁹ Huadang Education Network

potential for another financial crisis, but it is also impossible for colleagues to fundamentally remove the stock.

Deleveraging is about reducing capital indebtedness during periods of recession, thereby reducing debt risk and avoiding the outbreak of a debt crisis. Currently, the overall debt ratios of society as a whole have risen, with the exception of the land-based expansion of local government indebtedness, which has led to a high level of government indebtedness. China's society-wide debt ratio (leverage ratio) has increased by 40 percentage points over the last decade.³⁹⁰

Cost reduction is mainly a matter of the government reducing the burden on enterprises. The first is to reduce labour costs. In 2015 and 2016, the minimum wage in all regions did not rise at all, and against the backdrop of inflation, workers' real incomes fell, and social security contributions for workers were reduced, effectively amounting to a cut in welfare benefits. The second is to reduce financing costs and encourage microfinance companies to lend; the third is to reduce taxes and increase the value-added tax exemption to 100,000-300,000. This is in fact mainly a way of transferring the costs of the economic crisis onto the proletariat, making their lives even more miserable.

The goal is to lift all 2.61 million people out of poverty by 2020 and to ensure that all 35 poor counties have been removed from the list. The four southern border regions, border areas and mountainous areas in special hardship will be the main battleground for poverty alleviation. The government will focus on solving the problems of "who to support", "who to help", "how to help" and "how to withdraw". It will aim for the removal of caps within a certain period of time in poor counties without removing policies, and the identification of poor families on a household-by-household basis and the removal of poverty to the individual. (*In China, putting on a hat is a synonym for labelling people. In this case, if a region is labelled as poverty-stricken, it must strive to remove the hat but continue to pursue the policy of lifting the remaining poor people out of poverty and achieving stable poverty alleviation for those who have already been lifted out of poverty – Trans.*) The essence is mainly to promote the capitalisation of agriculture in the name of poverty alleviation, to establish modern agriculture through capitalist farms and cottage industries, and at the same time to find new venues for capital investment, thus defusing the crisis while laying the groundwork for a wider crisis in the future.

As we can see, the so-called supply-side reforms are not really reforms, but merely the elimination of excess capacity, the bankruptcy of loss-making enterprises, the unemployment of workers, the decline in incomes and the further expansion of capitalism into agriculture. This is in fact an acknowledgement of the results of the economic crisis, not a solution to it. The bourgeoisie can therefore only place greater hope in the export of imperialist capital.

3. Imperialist export of capital

Since the world economic crisis of 2008, China's capital exports have been increasing. In September and October 2013, during a visit to Central Asia and South East Asia, Xi Jinping proposed the construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road, or the Belt and Road, which was further promoted by Chinese Premier Li Keqiang during his visits to Asia and Europe. The Belt and Road has become China's main economic strategy for the outside world, and

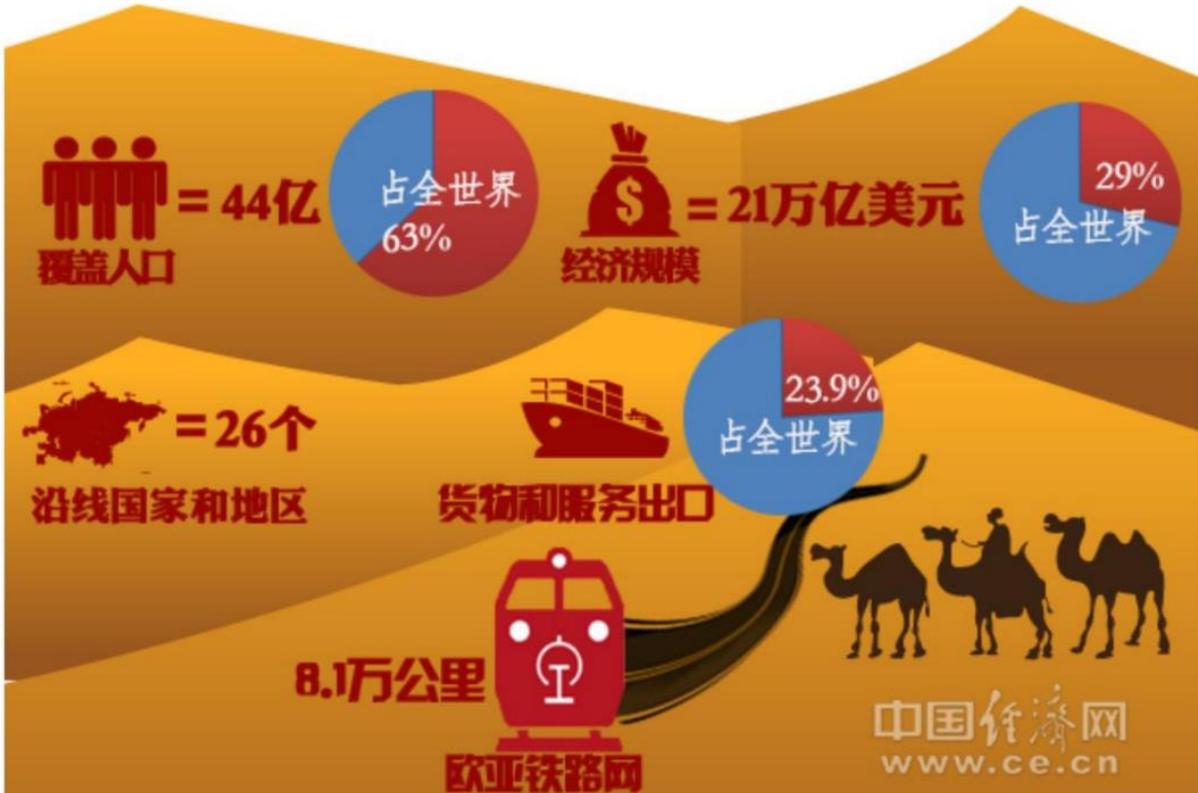
³⁹⁰ Ibid.

has been endorsed by 60 countries and international organisations, with a total population of around 4.4 billion and an economic output of around US\$21 trillion, accounting for 63% and 29% of the world's GDP respectively.

The 2014 Economic Work Conference proposed that "we should focus on implementing the three strategies of 'One Belt, One Road', Beijing-Tianjin-Hebei Synergistic Development and Yangtze River Economic Belt, in order to get a good start next year." On this basis, the bureaucratic government has proposed a positioning for each of China's major cities.

The positioning of Shaanxi, Gansu, Ningxia and Qinghai is to form a channel facing Central Asia, South Asia and West Asia, a commercial and logistics hub, important industry and cultural exchange base; the positioning of coastal cities is to strengthen the construction of ports in coastal cities, strengthen the function of international hub airport; Guangxi is positioned as an important gateway for the organic connection between the 21st Century Maritime Silk Road and the Silk Road Economic Belt; Yunnan is positioned as a radiating center for South Asia and Southeast Asia; the positioning of Liaoning and Beijing is to build an important window for opening up to Northeast Asia; at the same time, it is necessary to build an important support for the development and opening up of the western part of Chongqing, and an inland open economic highland such as Zhengzhou, Wuhan, Changsha, Chengdu, Nanchang and Hefei.

It goes on to propose four trade routes: Northern Route A, North America - North Pacific - Japan and Korea - Sea of Japan - Vladivostok - Hunchun - Yanji - Jilin - Changchun - Mongolia - Russia - Europe; Northern Route B, Beijing - Russia - Germany - Northern Europe; Central Route, Beijing - Zhengzhou - Xi'an - Urumqi - Afghanistan - Kazakhstan - Hungary - Paris; Southern Route, Quanzhou - Fuzhou - Guangzhou - Haikou - Beihai - Hanoi - Kuala Lumpur - Jakarta - Colombo - Calcutta - Nairobi - Athens - Venice; Central Route, Lianyungang - Zhengzhou - Xi'an - Lanzhou - Xinjiang - Central Asia - Europe.



Supported and encouraged by such policies, China's capital exports are growing. Since 2005, China's outward FDI flows have continued to grow for 10 consecutive years, reaching US\$145.67 billion in 2015, more than 13 times the 2005 level, surpassing Japan and ranking second in the world after the United States for the first time. In 2016, China made non-financial direct investments in 7,961

overseas enterprises in 164 countries and regions, with a net outward direct investment of US\$170.11 billion.

From 2008, China started a wave of mergers and acquisitions of overseas companies. By the end of June 2014, China had acquired 5,270 overseas companies for US\$337 billion, ranking second only to the United States, and Chinese monopoly capital began to grow into international monopoly capital. At the same time, China's financial capital, which provided a large amount of capital to support Chinese industrial capital's mergers and acquisitions of foreign capital, began to become an international oligarchy.

The growth of Chinese capitalism has been accompanied by an increasing export of goods. China has all the industrial sectors of the UN Industrial Classification and has a complete industrial system. As a result, China's goods were exported all over the world and it became the world's largest foreign trading nation. China's industrial strength has provided the basis for the establishment of its monetary hegemony, and the renminbi has gradually become a world currency. More and more countries around the world, especially in the Asia-Pacific region, have started to use the RMB as the main payment currency for international trade, and in 2015 the RMB became the world's fifth payment currency and the sixth most traded currency. The RMB is beginning to become the international trade and reserve currency.

In October 2015, the People's Bank of China promoted the establishment of a cross-border payment system for the RMB, and on 30 November, the RMB was added to the International Monetary Fund's "Special Drawing Rights", accounting for 10.92% of the "Special Drawing Rights" (SDR) value of the five currencies of the USD, EUR, GBP, JPY and RMB, ranking third. At the same time, China has promoted the establishment of 14 offshore RMB markets, and UnionPay has gone global. The renminbi is increasingly becoming an international currency and China is gradually building up its monetary hegemony.

In addition to increasing the export of commodities and capital to foreign countries, the Belt and Road project will also increase the construction of infrastructure in semi-colonial countries, such as roads, railways, urban light railways and power grids, so as to further connect the vast areas of Central, West, Southeast and South Asia with China and facilitate China's establishment of an imperialist hegemonic system. It also allows China to control semi-colonial countries through infrastructure development. These semi-colonial countries were often economically backward and capital-poor, and China took the lead in establishing a series of international financial institutions to support the export of capital.

On 11 July 2014, China led the establishment of the BRICS New Development Bank (NDB) with a reserve of US\$100 billion, with China injecting US\$41 billion as the largest shareholder, and on 8 November 2014, at the Dialogue on Strengthening Connectivity Partners, Xi Jinping announced that China would contribute US\$40 billion to establish the Silk Road Fund. In October 2014, China led the 22 potential founding members in the decision to establish the Asian Infrastructure Investment Bank (AIIB), which eventually identified 57 members from five continents, including the United Kingdom, France, Germany and Italy, and on 16 January 2016 the AIIB was established.

In this way, China leverages huge amounts of money from other countries to give loans to Asian, African and Latin American countries, which in turn use the loans to pay Chinese companies to build infrastructure. On the one hand, China profits from interest and construction profits, and on the

other hand, it uses not Chinese government debt, but the debt of semi-colonial governments to boost China's economy; at the same time, China controls the semi-colonial governments by saddling them with debts they cannot repay. This was the neo-imperialist colonial policy adopted by the United States after the Second World War, and China began to compete with the US imperialists for the benefits of its powerful capitalist economy, and to share the world.

Through a number of measures by bureaucratic and private monopoly capital, China began to export capital on a large scale around the world, establishing economic, financial and monetary hegemony and increasingly becoming the second most imperialist country after the United States.

2. Internal Repression and External Military Preparation

1. The imperialist world pattern

With the dramatic changes in the Soviet Union, the division of the world between the two imperialist blocs of the Soviet Union and the United States came to a rapid end, with the US-led imperialists firmly in control of the world imperialist system. The EU was originally established as a counterweight to US imperialism by the European imperialists, but with years of economic depression, the EU is increasingly disintegrating, and with the 2016 referendum on the UK's exit from the EU and the pro-Brexit parties in power in Italy, the EU is disintegrating.

At the same time, U.S. imperialism has ruled the world through technological, military, financial, monetary and cultural hegemony for many years. Its industrial production has declined severely and its strength has been greatly reduced. In 2016, Trump came to power hoping to revive the United States through trade protectionism and nationalism.

At this time, Chinese imperialism is increasingly strengthening its control over semi-colonial countries and further expanding its sphere of influence. This inevitably leads to competition for interests between emerging imperialist countries and established imperialist countries, and even leads to the outbreak of an imperialist world war.

In the First and Second World Wars, the rise of the new imperialist countries, such as Germany and Japan, and the fact that the interests of the semi-colonies were mainly in the hands of the old imperialist countries, such as Britain and France, inevitably led to the desire of Germany and Japan to break with the established order and the old imperialist countries to defend their vested interests. The outbreak of the world economic crisis exacerbated the internal contradictions of the imperialist countries and led to the outbreak of the imperialist world wars.

This inevitable pattern of political and economic imbalance between the imperialist countries has made it impossible to maintain peace in the imperialist world for a long time, and now this imbalance has emerged again between the imperialist countries represented by China and the United States. These countries are basically semi-colonies of the US or subordinate imperialist countries of the US imperialist bloc. China's geo-conflict is in fact a conflict between the two imperialist blocs of China and the US.

The rise of Chinese imperialism, and its strategy of transferring the economic crisis at home, was inevitably resisted by the old imperialist countries. In this context, and in order to safeguard China's

imperialist rise, Chinese bureaucratic capital is also actively preparing for imperialist rivalries, and possible imperialist wars to come.

2. Domestic political repression

In order to support China's imperialist struggle for hegemony, the bureaucratic bourgeoisie first had to achieve stable rule at home, and "to expel foreigners, we must first secure the country", and thus began to implement increasingly repressive policies at home.

The first is the resolution of the contradictions between the individual bureaucratic bourgeoisie, its factions and the bureaucratic capitalist group as a whole. If bureaucratic monopoly capital wants to dominate society more strongly and thus compete for global hegemony, it needs to have strong capital power. But the bureaucratic bourgeoisie, as individuals, wants more capital in their pockets, thus undermining the overall power of the bureaucratic monopoly capital and the legitimacy of bureaucratic rule. At the same time, factionalism within the bureaucratic bourgeoisie undermined the cohesion of bureaucratic capital. The fight against corruption thus became a necessary measure to unite the bureaucratic monopoly bourgeoisie and strengthen its power on the one hand, and on the other, to project a good image before the people.

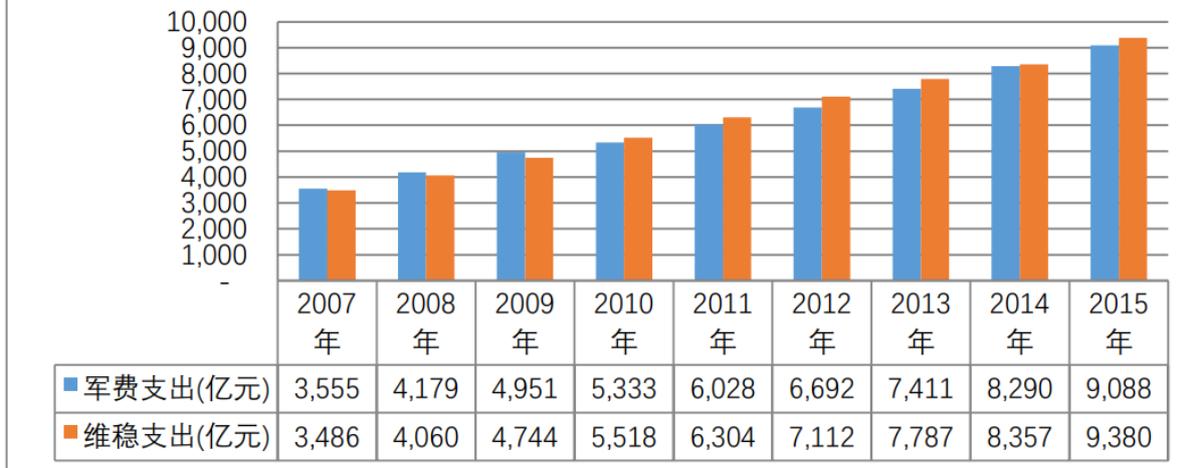
In two years, more than 180,000 party officials have been punished and 56 tigers, including Xu Caihou, Zhou Yongkang and Ling Plan, have fallen from power. But the fight against corruption has not benefited the proletariat in any way; in fact, it has only strengthened the power of bureaucratic monopoly capital. At the same time, because it was confined to the bureaucracy, it became the best means of factional struggle. In contrast to the anti-corruption efforts during the Three Anti-Corruption Period, the different class nature of the two periods is clear to see. Through the fight against corruption, factions within the bureaucracy were defeated and the bureaucratic bourgeoisie became unified and centralised as never before.

The second is the crackdown on other political factions in the country. From 2014 onwards, as other factions within the party were brought down and the bureaucracy unified, the government began to crack down on political dissidents. Liberals, women's rights groups, social democratic organisations and the left wing were all severely repressed and many prominent 'pro-democracy' activists were imprisoned. However, with the exception of some who compromised in the face of danger, the liberals and the revolutionary left continued to fight.

The third was the suppression of the workers' movement. On the one hand, the bureaucrats cracked down on the intervention of other political forces in the workers' movement, and on the other hand, by strengthening the activities of the official trade unions, they hoped to bring the workers' rights into the orbit of the government, thus neutralising the political risks that the workers' movement might bring. The trade unions began to change their tactics of serving the bourgeoisie through inaction in the 1980s and 1990s, and actively participated in the workers' movement in order to bring it under "official control", so that the contradictions between the bourgeoisie and the proletariat could be contained within certain limits and channelled appropriately.

As a result of this high-handed policy, China's expenditure on maintaining stability has been so high that it has exceeded military expenditure since 2010.

军费与维稳开支的对比



Above: Military spending (blue) versus spending on maintenance of stability (red) per billion yuan – Trans.

However, under this heavy-handed policy, the number of workers' movements has actually increased rather than decreased. 1,454 strikes were reported in the first half of 2016, 18.6% higher than in the same period last year.

劳资纠纷案件



Above: Labour dispute cases (blue for the number of cases x 10,000; red for the number of people involved x 10,000; green for the amount of wages claimed x billion yuan – Trans.)

It can be seen that such domestic coercive policies cannot truly resolve the contradiction between the proletariat and the bourgeoisie, cannot truly suppress the labour movement, and cannot suppress the revolution of the proletariat. The key to the final result of the struggle between the Chinese bourgeoisie and the proletariat, lies in whether the proletarian revolutionary force can continue to grow, not in the means adopted by the bourgeoisie. As long as the proletarian revolutionary force grows, no force can stop the proletarian revolution.

3. Diplomatic hardening and military preparedness

At the same time, the growth of Chinese imperialism required a strong Chinese military to support and protect the economic hegemony. From 2012 onwards, the Chinese bureaucratic government has gradually hardened its diplomatic stance and geo-conflicts have begun to become a focus of domestic public opinion and social concern.

On the morning of 7 September 2010, a Japanese Coast Guard patrol boat rammed a Chinese trawler in the waters off the Diaoyu Islands. These incidents either did not generate much debate at all, or ended up in the news with a stern protest from the Chinese side, and never attracted any real substantive response from the Chinese bureaucratic government or sustained attention from the media and the public for years.

However, on 3 January 2012, at around 9:30 a.m., a patrol boat from the Maritime Security Headquarters (Naha) of the 11th Administrative Region of Japan spotted three people, including Ishigaki City Councilor Nakama, landing on the Diaoyu Islands. About 20 minutes later, Ishigaki City Councilor Tadashi Nakamine also landed on the island. From then on, the issue of the Diaoyu Islands began to heat up.

On 16 March 2012, a regular China Coast Guard patrol arrived at the waters near the Diaoyu Islands and its subsidiary islands to conduct a patrol. Three Japanese Coast Guard patrol vessels, PL62, PLH06 and PL61, arrived in the waters near the Diaoyu Islands and formed a confrontation with the Chinese Coast Guard patrol.

On August 15, 2012, Hong Kong people rushed through Japan to intercept them and landed on the island to plant the flag. In September 2012, anti-Japanese demonstrations broke out across China, and there were acts of smashing Japanese goods. On April 17, 2013, the guided-missile destroyer No. 170 "Lanzhou" and the frigate No. 572 "Hengshui" of the Chinese Navy returned through the high seas off Okinawa and cruised in the waters near China's Diaoyu Islands. On November 23, 2013, the Chinese Ministry of National Defense announced the establishment of the East China Sea Air Defense Identification Zone, including the relevant airspace near the Diaoyu Islands.

The same is true for the South China Sea issue. Since the late 1970s, Southeast Asian countries have begun to encroach on the resources of the South China Sea. It was only on 10 April 2012, when the Philippine warship Del Villar, which was expelling Chinese fishing boats, confronted Chinese maritime surveillance vessels, that the South China Sea issue gradually heated up, and in December 2013 there was a fierce chase between Chinese and US warships in the South China Sea. Since then, disputes between China and Vietnam, China and the Philippines, and China and Malaysia have intensified in the South China Sea, and ship confrontations have become commonplace.

China vetoed four consecutive UN Security Council sanctions against Iran in 2011, 2012, 2014 and 2015. Since 2016, China has also been increasingly vocal on the issue of Taiwan, and in early 2017, the issue of the deployment of the US THAAD missile in South Korea erupted.

In fact, these geo-conflicts were essentially a conflict between Chinese imperialism and US imperialism over the division of the world. The Chinese government responded to many of the geo-issues by taking a tough approach to the imperialist struggle for hegemony, while at the same time

generating an enthusiastic popular response through the media and triggering nationalist sentiments throughout society.

China has also been actively preparing militarily. 2007 saw the start of the development of a large transport aircraft, the C919; 2008 saw the start of the Chinese naval convoy escorting Chinese ships in the Gulf of Aden; August 2009 saw the start of China's aircraft carrier development programme; 2011 saw the successful test flight of the J-20; 2012 saw the establishment of a Chinese military base in the Seychelles in the Middle East; 2014 saw China and India battling to establish a military base in South Asia; November 2014 saw the establishment of a Chinese military base in Namibia in Africa. In 2014, China and India vied to establish a military base in the Maldives in South Asia, In addition, a series of new weapons and equipment such as tanks, armoured vehicles and missiles began to be developed or successfully developed during this period.

Beginning in December 2015, China started another round of large-scale military reforms, cutting 300,000 troops and increasing the per capita military spending to \$60,000. At the same time, it adjusted the headquarters of the Military Commission and implemented a multi-departmental system of the Central Military Commission. Leading the management system; readjusting the designation of theatres, setting up a joint operation command organization in the theatre, and improving the joint operation command organization of the Military Commission. That is to say, while strengthening the military's weapons and equipment, it also strengthens the CMC's ability to lead and command the army.

At the same time, China has been strengthening emerging imperialist alliances such as the SCO and BRICS, repeatedly conducting joint military exercises in an attempt to counteract NATO.

On 3 September 2015, China also held an unprecedented military parade on the occasion of the 70th anniversary of the anti-fascist war. In the intervening years, a series of nationalist films such as "*That Year, That Rabbit, Those Things*" and "*Operation Mekong*" have been produced, and the media have been stepping up their nationalist agitation. All this has helped to stir up nationalist sentiment in the country and to prepare for a possible imperialist war of domination.

However, the imperialist war for hegemony is always a division of interests between the international bourgeoisie, in which the proletariat fights for the interests of the bourgeoisie and serves as cannon fodder, while the bourgeoisie makes a lot of money out of the war and divides the interests within the class. Such a future is therefore not the future of the Chinese people, nor can it be supported by the Chinese proletariat.

3. The Future of China and the World

The challenges that China will inevitably face in the imperialist struggle for hegemony, and the possibility of imperialist war, will undoubtedly further exacerbate domestic conflicts. Moreover, the export of capital by imperialism will prepare for a world capitalist economic crisis that will be larger, more widespread, more violent and longer lasting. Thus, the bourgeoisie's solution to the capitalist contradictions is nothing but digging its own grave.

At the same time, even if China formally rises to power, it will still face imperialist oppression and exploitation. As a result, the people of China and the world are bound to rise up in revolt as well.

In today's world, the communist movement is on the rise and the proletarian revolution in China is also on the rise. It is foreseeable that the future of China and the world will be the dusk of capitalism and the dawn of the communist revolution. What the imperialist powers, cannot change is that the vast proletariat of China and the world.

Main References

1. Mao Zedong: *Selected Works of Mao Zedong* (in five volumes), *Collected Works of Mao Zedong, Long Live Mao Zedong Thought*
2. Central Literature Research Office: *The Chronology of Mao Zedong, Mao Zedong's Manuscripts since the Founding of the People's Republic*
3. Jin Chonghe and Pang Xianzhi: *Mao Zedong's Biography*
4. Hinton: Fanshen
5. Hinton: Shenfan
6. Tao Lujia: "Chairman Mao supported the founding of cooperatives in Shanxi"
7. *Chronicle of the Lushan Conference*
8. Charles Bettelheim and Paul Sweezy: *The Transition to Socialism*
9. Charles Bettelheim: "Industrial Organisation in the Cultural Revolution"
10. Xiao Xidong: *The Politics of Memory and Forgetting*
11. Wang Shaoguang: *The Bottom Line of Decentralisation*
12. Tong Xiaoxi: "Civic Politics in the Age of Extremes"
13. Ma Shexiang: "Revisiting Jinggang Mountain"
14. Liu: *A History of the Cultural Revolution*
15. Yin Hongbiao: *The Main Schools of the Red Guard Movement*
16. Lao Tian: "Seven rounds of political games between the rebels and the powers-that-be"
17. *Study materials on folk national history*
18. Charles Bettelheim: *The Great Retreat*
19. Han Ding: *The Great Reversal*
20. *History of the People's Republic of China*
21. Central Literature Research Office: *The Chronology of Liu Shaoqi*
22. Liu Yuan, edited by Liu Yuan; *The Unknown Liu Shaoqi*
23. Qi Benyu: *Memoirs of Qi Benyu*
24. Bo Yibo: *A Review of Some Major Historical Issues Since the Founding of the People's Republic*
25. Li Jian: *The Chinese Model*
26. Sun Xuewen: *Mao Zedong's Unparalleled Merits and the Sun and the Moon Shine Together*
27. Tang Xiaobing, ed: *Popular Literature and Ideology*
28. He Guimei: "New Enlightenment" *Knowledge Archives: A Study of Culture in the 1980s*
29. Dai Jinhua: *Invisible Writing: A Study of Chinese Culture in the 1990s*
30. Wang Hui: *The Politics of Depoliticization - The End of the Short Twentieth Century and the 1990s*
31. Liu Guoguang, ed. "Research Report on China's Ten Five-Year Plans"
32. Central Literature Research Office: *Selected Important Documents since All Congresses*
33. Deng Xiaoping: *Selected Writings of Deng Xiaoping*
33. Chen Yun: *Selected Writings of Chen Yun*
34. Central Documentary Research Office: *The Chronology of Chen Yun*
35. Charles Bettelheim: *The Class Struggle in the USSR*
36. Grover Furr: *The 20th Congress of the Communist Party of the Soviet Union - Secret Reports and Khrushchev's Lies, Stalin's Democratizing Reforms*
37. American Revolutionary League: *How Capitalism Was Restored in the Soviet Union*
38. David Coetzee et al: *The Russian Way from Gorbachev to Putin - The End of the Soviet System and the New Russia*
39. Akio Shintani and others: "Was the Soviet Union a Socialist State?"
40. Wu Lengxi: *A Decade of Polemics*

41. People's Daily and Red Flag Magazine Publishing House: *Nine Reviews of the Soviet Communist Party*

Postscript

The purpose of this book is to set the record straight on the history of China over the last 70 years, and it inherits a great deal of the ideas and content of the valuable research on Chinese history that has been carried out by Chinese people since the 1990s. As these national historical research materials have not been officially published, they are quoted directly in this book without citation.

"The weapon of criticism is no substitute for the criticism of weapons, and material forces can only be destroyed by matter". Thus, the really important work is to move towards revolutionary practice on the basis of a clear understanding of the current situation in China and the world, to unite and fight the capitalist class to the death.

The proletariat is bound to be the future of China and the world, and only the re-emergence of the proletariat in China and the world will lead the world to a brighter future.