

China's New Course



102 ◆ *Deng Xiaoping, SPEECHES AND WRITINGS*

After emerging as a unified empire in the third century B.C.E., China had been the world's most successful state in terms of size, wealth, technological sophistication, and the continuity of its political institutions. This was easy to forget in the nineteenth and twentieth centuries when China became a pawn of the Western powers and a victim of political breakdown, military defeat, and economic decline. In the 1980s, however, China's leaders set a new course for their country, which, if successful, might restore China to preeminence in Asia, if not primacy among the world's powers.

The man responsible for China's change of direction was Deng Xiaoping, the victor in the struggle for power that followed Mao Zedong's death in 1976. Born into the family of a well-off landowner in 1904, Deng was sent to France after World War I to continue his education. Having spent all his money, he worked in a factory before returning to China by way of the Soviet Union, where he studied in 1925 and 1926. On his return to China he joined the Communist Party and became one of Mao's loyal followers in the long struggle against the Guomindang and the Japanese. After 1949 he became a member of the politburo, with responsibilities for overseeing economic development in south China. Following the Party line, he supported the Stalinist model for China's economic development through investment in heavy industry, agricultural collectivization, and central planning. This was scrapped in 1958 when Mao instituted the Great Leap Forward. In the wake of its failure, Deng and other moderates dismantled the communes and reintroduced centralized planning.

This made Deng a prime candidate for vilification during the Cultural Revolution. Having fallen from power, he was paraded through the streets in a dunce cap and put to work in a mess hall and a tractor repair shop. As the intensity of the Cultural Revolution diminished, Deng was reinstated as a Party official, and after Mao's death he led the moderates in their struggle with the radicals led by Mao's widow, Jiang Qing. Deng's faction won, and in December 1978, the Communist Party's Central Committee officially abandoned Mao's emphasis on ideology and class struggle in favor of a moderate, pragmatic policy designed to achieve the "four modernizations" in science and technology, agriculture, industry, and the military. To encourage economic growth, the government fostered free markets,

competition, and private incentives. Although Deng claimed that China had entered its “second revolution,” it was an economic revolution only. Reformers who demanded the “fifth modernization” — democracy — were arrested and silenced in 1979. A decade later when hundreds of thousands of Chinese demonstrated for democratic reform in 1989 in Beijing, the government crushed the demonstrators with soldiers and tanks, thus assuring the continuation of the Party dictatorship. Deng withdrew from public life in the 1990s, and died in early 1997.

The following excerpts are from speeches and interviews given by Deng between 1983 and 1986.

QUESTIONS FOR ANALYSIS

1. According to Deng, what had been the shortcomings of China’s economic development planning under Mao Zedong?
2. According to Deng, how is China’s new economic policy truly Marxist and truly socialist?
3. How does Deng view China’s role in the world? What implications, in his view, will China’s new economic priorities have for its foreign policy?
4. What is Deng’s rationale for opposing democracy in China?
5. What similarities and differences do you see between Deng’s economic program for China and Stalin’s plans for the Soviet Union in the late 1920s and the 1930s (see Chapter 4, source 34)?

MAOISM’S FLAWS

After the founding of the People’s Republic, in the rural areas we initiated agrarian reform and launched a movement for the co-operative transformation of agriculture,¹ while in the cities we conducted the socialist transformation of capitalist industry and commerce.² We were successful in both. However, from 1957 on, China was plagued by “Left” ideology, which gradually became dominant. **During the Great Leap Forward in 1958, people rushed headlong into mass action to establish people’s communes.** They placed lopsided emphasis on making the communes large in size and collective in

nature, urging everyone to “eat from the same big pot,” and by so doing brought disaster upon the nation. We won’t even mention the “cultural revolution.” . . . During the 20 years from 1958 to 1978 the income of peasants and workers rose only a little, and consequently their standard of living remained very low. The development of the productive forces was sluggish during those years. In 1978 per capita GNP was less than \$250. . . .

Comrade Mao Zedong was a great leader, and it was under his leadership that the Chinese revolution triumphed. But he made the grave mistake of neglecting the development of the productive forces. . . .

¹Following the communist victory in 1949, large estates were confiscated from landlords and redistributed to the peasantry. But in the early 1950s agriculture became collectivized under state control, and peasants essentially became paid agricultural laborers who turned over their crops to the government in return for wages.

²During the 1950s private businesses involved in manufacturing and finance were phased out and became state enterprises subject to centralized state control.

The fundamental principle of Marxism is that the productive forces must be developed. The goal for Marxists is to realize communism, which must be built on the basis of highly developed productive forces. What is a communist society? It is a society in which there is vast material wealth and in which the principle of from each according to his ability, to each according to his needs is applied. . . .

Our experience in the 20 years from 1958 to 1978 teaches us that poverty is not socialism, that socialism means eliminating poverty. Unless you are developing the productive forces and raising people's living standards, you cannot say that you are building socialism.

After the Third Plenary Session³ we proceeded to explore ways of building socialism in China. Finally we decided to develop the productive forces and gradually expand the economy. The first goal we set was to achieve comparative prosperity by the end of the century. . . . So taking population increase into consideration, we planned to quadruple our GNP, which meant that per capita GNP would grow from \$250 to \$800 or \$1,000. We shall lead a much better life when we reach this level, although it is still much lower than that of the developed countries. That is why we call it comparative prosperity. When we attain that level, China's GNP will have reached \$1,000 billion, representing increased national strength. And the most populous nation in the world will have shaken off poverty and be able to make a greater contribution to mankind. With a GNP of \$1,000 billion as a springboard, within 30 or 50 more years — 50, to be more accurate — China may reach its second goal, to approach the level of the developed countries. . . . We began our reform in the countryside. The main point of the rural reform has been to bring the peasants' initiative into full play by introducing the responsibility system and discarding the

system whereby everybody ate from the same big pot. . . . After three years of practice the rural reform has proved successful. I can say with assurance it is a good policy. The countryside has assumed a new look. The living standards of 90 per cent of the rural population have been raised. . . .

. . . Urban reform is more complicated and risky. This is especially true in China, because we have no expertise in this regard. Also, China has traditionally been a very closed society, so that people lack information about what's going on elsewhere. . . .

It is our hope that businessmen and economists in other countries will appreciate that to help China develop will benefit the world. China's foreign trade volume makes up a very small portion of the world's total. If we succeed in quadrupling the GNP, the volume of our foreign trade will increase considerably, promoting China's economic relations with other countries and expanding its market. Therefore, judged from the perspective of world politics and economics, China's development will benefit world peace and the world economy. . . .

TRUE SOCIALISM

Our modernization programme is a socialist programme, not anything else. All our policies for carrying out reform, opening to the outside world and invigorating the domestic economy are designed to develop the socialist economy.

We allow the development of individual economy, of joint ventures with both Chinese and foreign investment and of enterprises wholly owned by foreign businessmen, but socialist public ownership will always remain predominant. The aim of socialism is to make all our people prosperous, not to create polarization. If our policies led to polarization, it would mean that we had failed; if a new bourgeoisie emerged,

³The Third Plenary Session of the Eleventh Central Committee of the Chinese Communist Party, held in December

1978, approved the "four modernizations" program favored by Deng.

it would mean that we had strayed from the right path. In encouraging some regions to become prosperous first, we intend that they should help the economically backward ones to develop. Similarly, in encouraging some people to become prosperous first, we intend that they should help others who are still in poverty to become better off, so that there will be common prosperity rather than polarization. A limit should be placed on the wealth of people who become prosperous first, through the income tax, for example. In addition, we should encourage them to contribute money to run schools and build roads, although we definitely shouldn't set quotas for them. . . .

In short, predominance of public ownership and common prosperity are the two fundamental socialist principles that we must adhere to. . . .

SPECIAL ECONOMIC ZONES

In establishing special economic zones⁴ and implementing an open policy, we must make it clear that our guideline is just that — to open and not to close.

I was impressed by the prosperity of the Shenzhen⁵ Special Economic Zone during my stay there. The pace of construction in Shenzhen is rapid. It is particularly fast in Shekou, because the authorities there are permitted to make their own spending decisions up to a limit of U.S. \$5 million. **Their slogan is "time is money, efficiency is life."** In Shenzhen, it doesn't take long to erect a tall building; the workers complete a storey in a couple of days. The construction workers there are from inland cities. **Their high efficiency is due to the "contracted responsibility system," under which they are paid according to their performance, and to a fair system of rewards and penalties.**

⁴Special economic zones (SEZ) were restricted areas in which foreign firms could establish plants and house foreign personnel.

⁵A district next to Hong Kong.

A special economic zone is a medium for introducing technology, management and knowledge. It is also a window for our foreign policy. **Through the special economic zone we can import foreign technology, obtain knowledge and learn management, which is also a kind of knowledge.** . . . Public order in Shenzhen is reportedly better than before, and people who slipped off to Hong Kong have begun to return. One reason is that there are more job opportunities and people's incomes and living standards are rising, all of which proves that cultural and ideological progress is based on material progress.

CHINA'S FOREIGN RELATIONS

While invigorating the domestic economy, we have also formulated a policy of opening to the outside world. Reviewing our history, we have concluded that one of the most important reasons for China's long years of stagnation and backwardness was its policy of closing the country to outside contact. Our experience shows that China cannot rebuild itself with its doors closed to the outside and that it cannot develop in isolation from the rest of the world. It goes without saying that a large country like China . . . must depend mainly on itself, on its own efforts. Nevertheless, while holding to self-reliance, we should open our country to the outside world to obtain such aid as foreign investment capital and technology. . . .

CHINA'S POLITICAL FUTURE

The recent student unrest⁶ is not going to lead to any major disturbances. But because of its nature it must be taken very seriously. Firm measures must be taken against any student who creates trouble at Tiananmen Square. . . .

⁶Deng made these remarks in December 1986, when student demonstrations and speechmaking on behalf of the prodemocracy movement had been going on in Tiananmen Square in Beijing for several years.

In the beginning, we mainly used persuasion, which is as it should be in dealing with student demonstrators. But if any of them disturb public order or violate the law, they must be dealt with unhesitatingly. Persuasion includes application of the law. . . . It is essential to adhere firmly to the Four Cardinal Principles;⁷ otherwise bourgeois liberalization will spread unchecked — and that has been the root cause of the problem. . . .

Without leadership by the Communist Party and without socialism, there is no future for China. This truth has been demonstrated in the past, and it will be demonstrated again in future. When we succeed in raising China's per capita GNP to \$4,000 and everyone is prosperous, that will better demonstrate the superiority of socialism over capitalism, it will point the

way for three quarters of the world's population and it will provide further proof of the correctness of Marxism. Therefore, we must confidently keep to the socialist road and uphold the Four Cardinal Principles.

We cannot do without dictatorship. We must not only affirm the need for it but exercise it when necessary. Of course, we must be cautious about resorting to dictatorial means and make as few arrests as possible. But if some people attempt to provoke bloodshed, what are we going to do about it? We should first expose their plot and then do our best to avoid shedding blood, even if that means some of our own people get hurt. However, ringleaders who have violated the law must be sentenced according to law. . . . If we take no action and back down, we shall only have more trouble down the road.

⁷Issued by Deng in 1979, the Four Cardinal Principles were (1) the socialist path, (2) the dictatorship of the proletariat,

(3) party leadership, (4) Marxism–Leninism–Mao Zedong thought.