China 中國 Briefing, 1992

edited by

WILLIAM A. JOSEPH

Published in cooperation with
The Asia Society

China Briefing, 1992

edited by
William A. Joseph

Published in cooperation with
The Asia Society

Deborah Field Washburn
Series Editor

Westview Press
Boulder • San Francisco • Oxford

Preface

Since its inception in the late 1970s, *China Briefing* has earned a deserved reputation as the best in-depth annual review of China, Taiwan, and Hong Kong. As director of The Asia Society's China Council when this publication was launched, I am especially proud to see its growing and enduring impact.

China Briefing, 1992 is one of the very best volumes in this distinguished history. Its authors have written in a crisp, substantive, and engaging style. As a result, this book is an important starting point for anyone, including specialists, seeking a capsule presentation of recent developments in China.

Such a review is especially needed in the early 1990s, now 20 years after the Sino-American detente, when American outlooks on China are deeply interlaced with suspicion. Tiananmen continues to cast a long shadow, though one now sees somewhat heightened U.S. interest in China's continued and renewed economic momentum. How we assess—and how we engage—the leaders of the one-quarter of humankind in China is central to the future stability and dynamism of the Asia-Pacific region.

Many of this year's authors reflect a rising, though still cautious, optimism about the People's Republic of China and its relations with Hong Kong and Taiwan. Nineteen ninety-two has been a year of powerful recommitment to economic modernization, spearheaded by China's paramount octogenarian, Deng Xiaoping. The surge of growth in coastal South China, the rapid increase in foreign investment, and the recently unleashed capital markets are at the heart of this story.

The interweave of politics and economics is a subject of serious analysis and conjecture in *China Briefing, 1992,* published on the eve of the 14th Congress of the Chinese Communist Party. Who succeeds and what policies dominate are linked issues that will shape China's future for the rest of the century. Who dies, and in what order deaths

occur, is important to the succession process now unfolding in Beijing. No one, not even those in the Forbidden City, knows precisely how these events will play out, but our authors offer a well-articulated array of scenarios.

But what are the broader ripple effects of succession politics and modernization economics? How does China cope with a post–cold war era in which the Soviet Union, which evolved from heroic to demonic proportions during the history of the PRC, no longer exists? How will China manage its prickly relationships with Japan (which now seem to be improving), with the United States (which have descended to an all-time low over the past two decades), and with the rest of Asia (where much hatchet-burying has occurred)? And what will be the impact of this evolution on China itself—on the arts and film, on health care, on the environment?

All these issues will unfold over many years ahead. *China Briefing, 1992* does not seek to provide long-term, conclusive answers, but we think that—thanks to editor William A. Joseph and the fine team of authors he has assembled—it addresses questions over the short and medium term in a timely, informative, and useful way.

Robert B. Oxnam
President
The Asia Society

September 21, 1992

Contents

Introduction: Deng's Gamble

William A. Joseph

The 1992 Summer Olympics in Barcelona were a time of international triumph and national pride for the People's Republic of China (PRC). China won a total of 54 medals—16 gold, 22 silver, and 16 bronze—to finish fourth in the overall medal count, a remarkable improvement over the 28 medals (including only 5 gold) captured in the 1988 Seoul Olympics. However, the athletic achievements at Barcelona and the accolades accorded the PRC's medal winners on their return to Beijing could not dispel the clouds of uncertainty that hang over China's future. A seemingly calm political exterior is enforced by an only slightly relaxed post-Tiananmen repression, and a recent resurgence of economic reform is threatened by deep factional divisions and a looming succession crisis. As China approaches a watershed generational change in political leadership, seething tensions and unresolved contradictions are likely to be the most telling legacies bequeathed by the last of the veteran revolutionaries to their immediate successors.

China Briefing, 1992 surveys recent developments in China's politics, economics, and foreign relations and provides longer-term analyses of the legal system, public health, and filmmaking in the PRC. The chapters in this volume help to further understanding of what has happened in China in the recent past; and by probing some of the most trenchant contradictions now present in Chinese society, they also serve as a guide to making sense of future events in China as they unfold.

One future that the leadership of the Chinese Communist Party (CCP) certainly hopes to avoid is the fate that befell the Soviet Union in late 1991. Tony Saich's chapter examines the impact of the Soviet collapse on the PRC's domestic politics and policies, while John Garver appraises the implications for China's international relations of the disintegration of Moscow's empire.

Although there were sharply differing perspectives within the CCP on how to interpret events in the Soviet Union, Deng Xiaoping seems to have concluded that Mikhail Gorbachev failed on both the eco-

nomic and political fronts: the Soviet leader moved too slowly in implementing fundamental changes in the economy and too quickly in liberalizing the political system. This perspective on the Soviet collapse has reassured Deng and other top leaders that they did the right thing in suppressing the pro-democracy demonstrations in June 1989, but it has also propelled Deng to undertake a political offensive to maintain the economic vibrancy that is one of the central reasons the CCP has been able to weather the global storm that has swept away most other Marxist-Leninist regimes in the last three years. Deng's big gamble is that continued economic growth will not only restore the Tiananmen-tarnished legitimacy of the CCP, but also siphon off political discontent as the nation and its people go about the business of getting rich.

Tony Saich details the stunning revival of the momentum toward economic reform that began with Deng Xiaoping's inspection tour in early 1992 of the boom areas of southern China, including the free-wheeling Shenzhen Special Economic Zone that has often been the target of hard-line critics of market-oriented development policies. Deng's speeches during the tour, and the party documents and media commentaries that subsequently publicized his remarks throughout the country, put the senior leader squarely on the side of faster and bolder reforms and presented a challenge to those in the leadership who have serious misgivings about the ideological and economic effects of continued rapid changes in the direction of a market economy.

The impetus given to reform by Deng's travels has exacerbated the factionalism Saich says has sundered the coalition of elderly party leaders and their minions that formed around common opposition to the 1989 democracy movement. Factional maneuvering was intensified by efforts to influence policy directives and personnel changes to be adopted at the 14th Party Congress scheduled for October 1992; Deng and the other leaders realized that the party congress would set the tone for the next stage of China's development and would very likely be the last national party gathering dominated by the behind-the-scenes power of the aged patriarchs. Their anxiety to put their stamp on China's future could only have been heightened by the deaths in 1992 of a number of senior figures, most notably former PRC president Li Xiannian. The momentum had clearly shifted towards reenergized reform in mid-1992; but any excess—be it a return of hyperinflation or public displays of citizen discontent—produced by the robust growth or new policy initiatives could be seized upon as reasons to slow the pace of change by factions skeptical of Deng's plan to use capitalism to save socialism in China.

Deng's call for a renewed commitment to reform and for opening the PRC to the outside world will likely dominate the party's priorities after the 14th Congress and bodes well for China's economic prospects; but, as Saich points out, Deng "has drawn the line at political reform" and made it abundantly clear that there will be no meaningful steps in the direction of democratization. Indeed, the factional divisions that pervade the party leadership revolve primarily around *economic* issues such as the speed and extent of market reform and the terms of China's participation in the international economy. For the current leadership, political change is a nonissue: whatever principles and policy preferences may separate market reformers, orthodox planners, neoconservatives, and proto-Maoists, all CCP factions agree that the party's "leading role" (i. e., its dictatorship over state and society) is not to be questioned.

Saich highlights the numerous problems that reflect the CCP's intractable refusal to acknowledge the need for fundamental political change: the continued domination of individuals and personal relationships over stable institutions and regularized procedures; the inability to find less conflictual means for handling policy disputes within the leadership; the denial of a legitimate public voice to the very social forces created by the country's new prosperity; and the growing assertiveness of provinces and localities against what they see as the heavy hand of the central government.

These political problems—particularly their implications for the succession sweepstakes that will inevitably follow from the deaths of Deng Xiaoping and the other octogenarian leaders—cast a pall of potential political instability over what Gary Jefferson portrays in his chapter as "a rosy picture of the current state of the Chinese economy and the prospects for continued reform." Jefferson analyzes the impressive recent growth rates in various sectors of China's economy and spotlights the wide gamut of renewed reform initiatives that range from price rationalization to trade liberalization. He examines in some detail the economic effects of industrial reforms in the state sector and the spread of financial markets in the form of stock exchanges, foreign currency trading centers, and commodities futures.

While China is castigated for lack of progress in political reform, its record of economic development in the 1980s is being cited as a model for the transition from central planning to market economy in Eastern Europe and the former Soviet Union, as well as for the deregulation of state-dominated economies of the Third World. Jefferson draws on three recent papers by economists to discuss some of the key "lessons from China's reform experience." Some of these lessons are positive, such as the importance of establishing a fast-growth

"leading sector" (e.g., China's household-based agriculture), while others are negative, such as the observation that "flawed institutions and bad policy" impede reform (e.g., the PRC's ineffective fiscal system); all are seen as applicable to other countries that face similar challenges in de-Stalinizing or modernizing their economies.

It is rather ironic that Deng's capitalist-like reform policies are now being hailed as a model for other nations to emulate, much as were the very contrary radical Maoist developmental policies of the 1960s. It is also ironic that for all their differences, Deng Xiaoping and Mao Zedong seem to have made many of the same mistakes in undermining their nation's political development. Mao's political errors did much to nullify China's economic progress during his reign. Deng's reforms could also falter if he and his successors continue to insist that economic revitalization can be separated from political change. As Jefferson notes, problems such as inflation, labor-force growth and restiveness, and ecological quandaries may disrupt the path of economic reform in China, but overshadowing all these concerns is the mounting contradiction between "China's inexorable drive toward economic modernization and the hesitant reform of its political system."

John Garver's chapter on the PRC's foreign relations looks at the impact of the collapse of the Soviet Union on China's view of the world and its international behavior. The CCP certainly felt no ideological affinity with Mikhail Gorbachev, and it blames his "betrayal of the proletariat" for fatally weakening communism in Eastern Europe and the Soviet Union. But the emergence of a noncommunist, Western-oriented Russia under Boris Yeltsin was an even more unpalatable turn of events in the eyes of Chinese leaders. As Garver points out, the decline of Soviet power as a counterweight to the United States in world affairs that began under Gorbachev was a serious disruption of what China saw as a favorable trend toward a multipolar global order. Beijing's "strategic nightmare" is that an anti-China alliance composed of the West, Russia, and Japan will form to isolate the PRC in an attempt to exterminate one of the few remaining bastions of Marxism-Leninism.

Much of China's recent foreign policy as described by Garver has been geared to responding to the new realities of the post–cold war international situation and has been largely motivated by efforts to counter what Beijing sees as the potential dangers of U.S. global dominance. Chinese policy in the Persian Gulf War of 1991 was "reasonably cooperative" with the United States and the United Nations in order to gain some post-Tiananmen international legitimacy; but the PRC's leaders were also concerned that the defeat of Iraq by an

overwhelming display of U.S. military prowess would further the movement toward a "Pax Americana" in which Washington would be able to impose its will on the world. China acted quickly to make the best of the "fundamental geopolitical gain" it derived from the disintegration of the Soviet empire in Central Asia. The PRC has also sought to develop an "*entente cordiale*" with Japan that would promote cooperation between the two nations on "peace, stability, and economic development in Asia"; the effort to promote the special relationship between China and Japan is based in part on Beijing's perceptions of growing tensions between Japan and the United States. China has also been supportive of Western European integration, again because of the tempering effect a strong "European pole" would have on the extension of American power.

Chinese foreign policy in the early 1990s manifests a fundamental contradiction similar to that which plagues the country's domestic reform initiatives: the desire to reap the benefits of change and openness, together with fear of the consequences of change and openness. Deng Xiaoping has again proclaimed the necessity for China to open its doors even wider to the outside world if it is to achieve its development objectives; and recent steps toward trade liberalization and the expansion of foreign investment opportunities attest to the fact that China's open policy is being reinvigorated. But China's worldview is still animated by pervasive fears of subversion from foreign influences and almost paranoid apprehensions about anti-China plots and coalitions. As Garver demonstrates, talk of intrigues by the United States to subvert communism in China by gradual cultural and economic infiltration (so-called peaceful evolution) may have subsided as Deng seeks to enlist international support for China's modernization; but Chinese foreign policy retains a "fundamentally anti-U.S. orientation" that is part of a deep ambivalence about the potential impact that fuller involvement in the global community may have on China.

Changes in China's legal system, as described in the chapter by Margaret Woo, have reflected the ebb and flow of reform in post-Mao China. Following the disruptions of the Cultural Revolution, a major revamping of the judiciary was launched, primarily owing to the leadership's "recognition that a coherent legal system was critical for economic development" and the desire to provide some institutional safeguards against the political excesses of the Maoist era. Limited, though still significant, progress in that direction was short-circuited by the emphasis on order and stability that followed the June 1989 crackdown. The subsequent use of Chinese courts to punish political activists led to an outpouring of international criticism of China's hu-

man rights record. Most recently, there have been signs of a "renewed interest in legal reform" that are obviously an outgrowth of Deng's push for faster economic change and represent what Woo describes as "the latest turn in the winding road of legal reform" in China.

Woo's description of the workings of the legal system of the PRC presents a bifurcated picture of the role of law in contemporary China. On the one hand, the courts often provide effective redress for the grievances of ordinary citizens and sometimes do work to check abuses of power by officials; in such cases, there is, indeed, "a convergence of goals between the state and the Chinese people." On the other hand, judicial autonomy is clearly circumscribed by party policy and "political cases . . . remain beyond the protection of due process." Woo's conclusion that the "law and legal institutions are still primarily an instrument of the Chinese Communist Party state" is yet another indication that reform—be it economic, political, or legal—will be pursued only on terms defined by the CCP and will be sanctioned only if it is judged to present no threat to party control.

Public health in China has long been a subject of considerable international interest. As Gail Henderson's chapter illustrates, for the first half of this century attention was focused on the deplorable health conditions for the vast majority of Chinese; in the 1960s and 1970s the world marveled at the advances made in improving health care, while more recently, questions have been raised about the impact of economic reform on China's public health system.

Henderson's discussion of the tremendous gains made in health care in China during Mao's rule reminds us that the record of that time—at least in terms of social welfare—is not as unrelievedly bleak as some Chinese and Western commentators would suggest. The fact that the PRC was able to attain health standards (e.g., higher life expectancy, lower infant mortality) well above those of countries at similar levels of economic development was the result of "a series of economic, educational, and organizational policies which created a system that defined health as part of the broader economic and social objectives of the regime." And though much of Deng Xiaoping's reform program has been directed at negating the collectivist institutions and mindset of the Maoist era, China's prospects for modernization are immensely improved by "the rural health-care infrastructure that was the foundation of the Maoist model of primary care [and] is still functioning."

China's health care in the reform period presents "complex, contradictory images," according to Henderson. There have been some worrisome trends, such as increasing inequalities in access to health care,

attributable to the marketization and privatization of some aspects of medical services. However, China "continues to produce impressive results in public health." Rather than the necessity to cope with the afflictions of poverty that characterize most of the Third World, China's greatest health challenges are to confront the diseases of prosperity (such as the consequences of a high-fat diet) and "to avoid the health-care dilemmas experienced by more-developed nations," including cost-control of an increasingly capital-intensive medical profession. These are serious challenges for any country, and China's ability to deal with them successfully will depend in large measure on whether its leadership continues to accord a high priority to public health or lets it slip off the national agenda in favor of more materially profitable pursuits.

The shifting fortunes of the Chinese film industry are, according to Paul Clark's analysis, a barometer for gauging "the cultural climate, political control, and level of economic development" in China. From its emergence as a modern art form in the 1920s, Chinese cinema has often been a medium for political statements and social commentary by filmmakers, either on their own behalf or as an instrument of state indoctrination. The height of the politicization of Chinese film came during the Cultural Revolution, when the radical culture czars under Jiang Qing initially limited cinematic fare to a literal handful of ideologically correct productions. The post-Mao reforms ushered in a period of innovation and experimentation in Chinese film as directors found themselves much freer to explore new artistic styles and probe previously forbidden subjects such as rural "backwardness." The Tiananmen crackdown led to renewed controls on filmmakers as the party leadership once again became sensitive to the potential of cultural media to be used in various ways to question the status quo. Nevertheless, PRC filmmakers are managing "to produce works of considerable merit, despite tight ideological oversight," as witnessed by the international acclaim accorded Chinese films such as *Ju Dou* and *Raise the Red Lantern*. The current situation in Chinese cinema reflects an uneasy tension between a growing core of dynamic directors, producers, and actors and the dogma-bound bureaucrats who watch their every move.

Clark's chapter points once again to one of the most troubling aspects of the current situation in China: like Chinese rulers through the ages—from the emperors and the mandarins, through Sun Yat-sen and Chiang Kai-shek, to Mao Zedong—the party leadership in the early 1990s still conceives of its relationship to the Chinese people as a paternalistic one. True, far more scope is now permitted for artistic creativity than during the Maoist years, and audiences can choose

from a much richer repertoire of cultural diversions. But the CCP holds fast to its claim to be the ultimate arbiter of what the "masses" need in terms of culture and to have the right to dictate to intellectuals and artists how that need should be met.

Will Deng's gamble pay off? Will the CCP be able to use prosperity as a substitute for democracy? In the short run, perhaps: if economic reform proceeds with no catastrophic setbacks, it may well mitigate some of the pressure for political change. But, in the longer run, this kind of trade-off is unlikely to prove tenable.

The Chinese Communist Party likes to tout the example of the Newly Industrializing Countries of East Asia to bolster the argument that economic progress requires political stability that can only be assured by authoritarian rule. But the recent experiences of South Korea and Taiwan also suggest that modernization breeds increasing and irresistible pressures for democratization. Thus far, China's leaders have shown that their only response to such pressures is repression. It remains to be seen whether the next generation of powerholders in Beijing will have a different and more productive perspective on how to manage the complex relationship between economic development and political change that lies at the heart of China's contemporary dilemma.

1
Peaceful Evolution with Chinese Characteristics

Tony Saich

The year 1992 witnessed yet another dramatic shift in the publicly stated policy of the Chinese Communist Party (CCP). This shift followed a trip to South China early in the year by China's senior patriarch, Deng Xiaoping. What he observed there convinced him that the only way for the People's Republic of China (PRC) to move forward was to push ahead rapidly with economic reform. Furthermore, he concluded that "leftist" opposition to market reforms was a greater danger to China's development than the formerly denounced "rightist" dangers like "bourgeois liberalization." In the Shenzhen Special Economic Zone (SEZ), Deng called for bold experimentation in the economic sphere and even suggested that those who stood in the way of reform be asked to step down.

This shift in public policy did not go uncontested, and influential opposition remains, led by a decreasing band of Deng's octogenarian colleagues and their younger clients. In particular, Chen Yun, head of the Central Advisory Commission, and Li Xiannian, head of the Chinese People's Political Consultative Conference, tried their best to prevent Deng's ideas from being transmitted through the party and governmental apparatus. When Deng's policy directive could no longer be ignored, his opponents resorted to a second tactic—paying lip service to it while seeking to water down the content or deflect the main thrust of the policy.

If Deng Xiaoping is successful in keeping his reform wagon on the road, the next stage will certainly prove more difficult than the first phase of reform, which was completed during the 1980s. Those who suffer as factories close and housing rents rise will need a clear explanation of why today's suffering will offer a better opportunity for sound economic health over the long term. Unfortunately, this message is one that China's population has listened to frequently over the

last 40 years, and the credibility gap is growing. China will have to find a new, skillful leadership with sufficient imagination to guide it through the next phase of political and economic development. At present, it is difficult to see who those leaders might be. Most of the successor generation has to keep a constant eye on its elderly puppet masters and thus finds it difficult to develop an independent policy position and power base.

The gap between party rhetoric and economic policy on the one hand and social practice on the other has grown greatly since the events of 1989. To a large degree, Deng's recent comments merely reflect the current situation in China, where realities in many regions have begun to diverge substantially from policy statements at the center. Deng seems to have recognized the danger that the impressive economic developments in many provinces and localities could leave the center behind while it engages in increasingly irrelevant ideological polemics.

The campaigns to study the selfless and self-sacrificing soldier of Maoist lore, Lei Feng, and to be on guard against the "spiritual pollution" said to come from the West have little effect on an urban population that is busy making money and listening to the phenomenally popular mainland rock singer Cui Jian and to Hong Kong and Taiwanese pop songs. The gap between government statement and public perception is reflected in the increase of black humor and the rise in nostalgia (the "Mao Zedong craze"). As in the former East European countries, many ordinary citizens find comfort in poking fun at official rhetoric. This has the effect of undermining confidence in the regime; as a Chinese intellectual commented, "It's the only weapon we have." In summer 1991 the Beijing authorities were moved to ban a series of T-shirts that expressed youthful resentment and *ennui;* for the June 4 anniversary of the Tiananmen crackdown, they banned laughter in Tiananmen Square.[1] This is a credibility gap that any future leadership will need to close.

Deng's renewed stress on faster and bolder economic reform will constitute the basis of the policy agenda for the 14th Party Congress scheduled for late 1992. Yet Deng's calls for experimentation with economic reform are balanced by his continuing wariness of genuine political reform. Thus the second plank of the party congress's platform will be continued commitment to tough party rule enshrined in the "four cardinal principles" (keep to the socialist road, uphold the dictatorship of the proletariat, uphold the leadership of the Communist

[1] Beijing citizens referred to these T-shirts as "cultural shirts," claiming that this was the only culture they had.

Party, and uphold Marxism-Leninism-Mao Zedong Thought). However, as in other periods during the last decade when economic reform has been speeded up, the political consequences remain unpredictable. The leaders appointed to run China after the party congress will need to show more imagination than in the past in dealing with the social and political consequences of their quest for fast-track economic growth.

When the CCP celebrated its 70th anniversary on July 1, 1991, the chances for a dramatic change of course looked slim. The party remained defensive in the aftermath of Tiananmen and felt threatened by enemies both from within and from without. Yet the CCP prided itself on the fact that it had ridden out the storm of protest in 1989 and been spared the consequences of the dramatic collapse of the communist regimes in Eastern Europe and the profound changes then taking place in Gorbachev's Soviet Union. Open dissent had been quashed, and inner-party battles were kept within acceptable limits. General Secretary Jiang Zemin, in his speech commemorating the party's founding, reaffirmed the hard line by claiming that "class struggle" would continue for a considerable period within "certain parts" of China. This contrasted markedly with the party line that had dominated since the late 1970s, when Deng Xiaoping and his supporters claimed that class struggle was dying and that henceforth the main focus would be on economic development. Social harmony was to replace class warfare. In response to the situation in Eastern Europe, Jiang claimed: "We Chinese communists are convinced the temporary difficulties and setbacks recently experienced by socialism in its march forward cannot and will not ever prevent us from continuing to develop." As far as the West was concerned, CCP policy was still to focus on resisting the capitalists' presumed attempts to transform China through "peaceful evolution" (*heping yanbian*).[2]

Three factors combined to convince Deng Xiaoping and his allies that it was necessary to reassess the hard-line policy and to push China once more along the road to reform. The first was the fallout from the failed August 1991 coup in the Soviet Union. The second was the need to come to grips with the deep-seated structural prob-

[2] Jiang Zemin, "Building Socialism the Chinese Way," July 1, 1991, in *Beijing Review*, July 8–14, 1991, pp. 14–31. See also "Firmly Follow Our Own Road—Celebrating the 70th Anniversary of the Founding of the Chinese Communist Party," *Renmin ribao* (People's Daily), July 1, 1991. "Peaceful evolution" is the term used by the CCP to refer to what it sees as the West's attempts to subvert the socialist system in China. The party believes that the Western powers are pursuing a deliberate policy of promoting "capitalism" in China in order to change the nature of the regime.

lems in the Chinese economy. And the third was the task of laying down a clear agenda for the upcoming 14th Party Congress.

The Soviet Coup: Lessons for China

The failed Soviet coup, the subsequent disintegration of the USSR, and the collapse of the Communist Party of the Soviet Union (CPSU) disturbed the air of complacency and the notion that everything was under control that Jiang Zemin had expressed on July 1, 1991. While publicly the CCP claimed that the coup and its failure were an "internal matter" for the Soviet people and that China had no desire to interfere, internal publications displayed alarm and fear about the possible consequences for China. Even before the coup, internal reports for senior CCP members had been harshly critical of Gorbachev, blaming him for the collapse of communism in Eastern Europe and on occasion even calling him a traitor. Internal reports had been still more critical of Boris Yeltsin, and in May 1991 Jiang Zemin, visiting Moscow, declined to meet him. Yeltsin's assumption of power in Russia realized one of the worst nightmares of the orthodox leaders in Beijing.[3]

Circumstantial evidence suggests that China's leaders knew about the possibility of a backlash against Gorbachev and were in favor of action being taken to remove him and to moderate his policies. For some time China's more orthodox leaders had been cultivating contacts with conservative elements in the Soviet military. Indeed Soviet Defense Minister Yazov had been warmly received in Beijing in May 1991.[4] On the day of Gorbachev's arrest, a document was circulated to middle-level and senior party officials, titled "A Victory for the Soviet People Is a Victory for the Chinese People." It roundly condemned Gorbachev, while praising the coup leaders for returning the Soviet Union to the path of socialism.[5] That this document was in the hands of officials within a day of the coup, when such a sensitive paper would normally take at least three days to produce and disseminate, strengthens the notion that at least some in Beijing were in the know.

The initial impact of the coup's failure was to strengthen the hand of the orthodox faction in the CCP. However, each faction within the

[3] The Chinese news agency, Xinhua, reported the unfolding of the coup quickly and accurately, and the first official reaction on August 20 was extremely bland. The term "orthodox" is used in this chapter to refer to those opposed to Deng's policy of economic reform. "Conservative" and "liberal," "moderate" and "radical" tend to confuse by creating false assumptions for Western audiences.

[4] Yazov was one of the eight leaders of the failed coup.

[5] Information from an informed source in Beijing.