

THE DRAGON STIRS

BY ANNE THURSTON

Since the death of Mao Zedong in 1976, China's moribund communist dynasty has been at least partially revived. But as Deng Xiaoping, architect of the restoration, approaches his 89th year, China finds itself on the brink of a most uncertain future. Anne Thurston, a veteran China-watcher recently returned from the People's Republic, looks at the puzzles and contradictions of the present for clues to where Asia's greatest dragon may head.



Communism has collapsed in Eastern Europe and the Soviet Union, together with stability, and the prospects for anarchy and economic ruin now seem as likely as democracy and capitalist prosperity. With Yugoslavia plunged into the abyss of "ethnic cleansing," the language of the Holocaust is being revived, and the world

stands in wait for the next outburst of nationalist and ethnic hostilities. Of the six remaining states that claim to be communist, two—North Korea and Cuba—totter on the edge of economic collapse, North Korea with apparent stoicism, Cuba with rumblings of discontent. An impoverished Vietnam courts foreign investment, Cambodia is apparently ungov-



Year of the Dragon, by Qin Dahu

ernable, and Laos has almost disappeared from memory.

Alone among communist states, past or present, China is thriving, so vibrant with economic energy that analysts are speaking of an "economic miracle." For more than a decade, the country's gross national product (GNP) has grown at an average rate of nine

percent a year, and in 1992 the increase was an astounding 12 percent. A recent survey by the *Economist* argues that China has "brought about the biggest improvements in human welfare anywhere at any time." The most relentlessly optimistic observers believe that in more than a decade of economic reform, China has accidentally stumbled upon the se-

cret of how to proceed, with minimal disruption and social unrest, from a centrally planned socialist economy to a free-market (but not entirely privatized) system. The *Economist* speculates about the global impact of a modern, industrialized, export-oriented, 21st-century China. The secret, according to the Chinese leadership, is "socialism with Chinese characteristics."

Certain other "Chinese characteristics," these of a more purely political nature, may not augur so well for that same leadership. Despite the ideological novelty of communism, the history of the People's Republic appears to be following a very traditional Chinese pattern. For thousands of years, the imperial dynasties of the Middle Kingdom have risen and fallen in a cyclical pattern, with an initial period of vigor and energy followed by the onset of corruption, then decline, and finally internal rebellion and a challenge to dynastic rule. Some dynasties in decline were able to meet the challenge by subduing the forces of opposition, rebuilding the economy, cleaning up corruption, and reviving the moral codes upon which the dynasty had been founded. The question today is whether—or at least how long—the communist dynasty will be able to withstand the challenges to its authority.

At the time of Mao Zedong's death in September 1976, the People's Republic of China stood precariously at the brink—the populace demoralized by decades of class struggle and political persecutions, the economy crippled by socialist constraints, the more competent of the Communist Party's leaders either purged or dead, the government intimidated into inaction by its aging dictator-emperor and the radical clique that surrounded him. The communist regime, it appeared, was losing all legitimacy—or what was once called the Mandate of Heaven.

But within weeks of Mao's death, the

"Gang of Four," which included his wife, Jiang Qing, was arrested, and the stage was set for the gradual ascent to power of Deng Xiaoping, the man many believed to be the most astute and capable survivor of the Long March generation. When Deng assumed power two years later, he set out to implement an old-fashioned, dynastic-style restoration. Today, still paramount leader despite his semi-retirement, he is universally credited with his country's economic ascent.

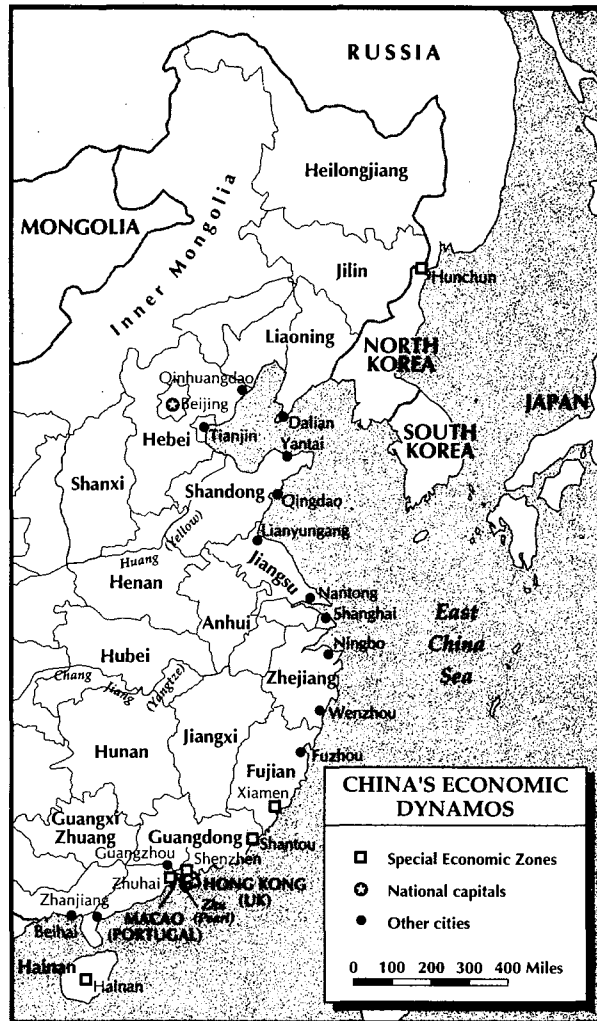
Determined to transform China into a modern, industrialized nation-state, Deng made it his goal to quadruple the 1978 GNP and assure the vast majority of his comrade citizens a comfortable standard of living by the year 2000. The first step in his ambitious plan was the decollectivization of agriculture. Over a period of several years, the gigantic communes were gradually broken up, and the land was distributed to peasant families. Actual ownership of land remained with the collective, and peasant farmers contractually agreed to sell a fixed amount of their harvest to the collective each season. In a matter of years, however, the peasants' leases had been extended so far into the future that they were able to act as if the land they farmed were theirs. Land could not be sold, but rights to the land were marketable. Freed from the straitjacket of bureaucratic control, agricultural production rose, increasing at the rate of three percent a year.

At the same time, restrictions on other forms of rural enterprise were ended, and light industry began to boom. When Deng came to power such industry accounted for no more than 20 percent of rural output; today it accounts for some 45 percent. (Forty percent of the country's industrial laborers live and work in rural areas.) Owned by local governments at the county, township, or village level, "township and village enter-

Anne Thurston, a former Wilson Center Fellow, writes about modern China. She is the author of Enemies of the People (1987) and A Chinese Odyssey (1992) and is currently collaborating on a book with Mao Zedong's personal physician, Dr. Li Zhisui. Copyright © 1993 by Anne Thurston.



Deng Xiaoping, second from left, and a daughter, Deng Nan, on their famous trip to southern China in January 1992—a trip that signaled the return to the pre-Tiananmen spirit of reform. In addition to the Special Economic Zones shown on the map, a number of other cities and regions have been granted special economic privileges and dispensations.



prises" (TVEs) constitute a uniquely Chinese form of ownership and control. According to Donald Anderson, the president of the U.S.-China Business Council, TVEs grew last year by 29 percent. China's great economic expansion owes a great deal to the growth of its rural industry.

Deng also opened China to outside investment, permitting the establishment of companies that are jointly owned and managed. Hong Kong investors have led the way and are, according to economist Jan Prybla, responsible for two-thirds of all current investment in China. Taiwan is a second and in-

creasingly important source of foreign investment, followed by Japanese, American, Canadian, European, and Australian companies. Joint ventures, too, have grown and prospered and are the second driving force behind China's current economic boom, their output growing last year at the galloping rate of 49 percent.

Deng's policy of economic liberalization has been coupled with tight political control. While opening the door to foreign investment, technology, and management skills, he has tried to keep it

closed to such "bourgeois liberal" ideas of democracy, freedom, and human rights. A centrist, Deng has been forced to fight continual rear-guard battles within his own party in order to bring about economic reforms. The more conservative hardline faction, led by the aged and ostensibly retired Chen Yun and publicly represented by Premier Li Peng, subscribes to the "birdcage" theory of economic management—limited market freedom within the parameters of a central state plan. The hardliners know the impossibility of opening the door economically while keeping it closed politically, and they are well aware that Western political values pose a direct challenge to their authority.

The liberals, by contrast, advocate both the continued expansion of China's market economy and gradual political reform—increased power for the National People's Congress, the country's nominal legislature, and consultation with the so-called democratic parties within the Chinese People's Political Consultative Conference.

While the hardliners' position has generally dominated, the birdcage began to break even before the spring of 1989. But when hundreds of thousands of demonstrators gathered that spring in Beijing's Tiananmen Square, framing their demands in the rhetoric of democracy and freedom, the hardliners' worst fears seemed to come true. After weeks of indecision and inaction, the party conservatives finally prevailed over such liberal reformers as party chief Zhao Ziyang, who recognized the legitimacy of some of the protesters' demands and was willing to grant concessions to them. Deng sided with the conservatives and ordered the military into Beijing. The demonstrations that had brought millions of people peacefully to Tiananmen Square were denounced as "turmoil," the work of a small band of counterrevolutionaries preaching bourgeois liberalization and calling for the overthrow of the Communist Party and its government. As the army surrounded the city and began moving toward

Tiananmen Square, residents poured into the streets to prevent its advance, pelting the soldiers with chunks of sidewalk cement and whatever else they could find. In some spots, the army opened fire. Hundreds of Beijing citizens were killed. With martial law now in force in the capital (it had been formally declared on May 20), recriminations against the "counterrevolutionaries" began. Zhao Ziyang was purged, together with liberal reformers at all levels of the party and government hierarchy, and several of his closest supporters were jailed while others fled abroad.

Many Chinese believe that Deng Xiaoping knew immediately that military intervention had been a mistake. The international outcry, the sudden pall that descended over Beijing, the archaic Stalinist rhetoric of the hardline conservatives that came to dominate the press—all brought the momentum of reform to a halt. The hardliners gained the upper hand. Vindicated, it seemed, was their charge that foreign investment was part of a larger Western conspiracy of "peaceful evolution," and that the marketplace had been used to introduce the ideas of democracy and freedom to China. Deng's views went into temporary eclipse. They did not regain ascendance until the spring of 1992.

The comeback actually began in January 1992, when Deng visited the special economic zone (SEZ) of Shenzhen in Guangdong province, just north of thriving and capitalist Hong Kong. A boom town that 15 years ago had a population of 70,000 and was little more than a transit point on the Hong Kong-Guangzhou railroad, Shenzhen is one of four SEZs that were established in 1980 to attract foreign investment, technology, and managerial skills and to foster the growth of an export economy. By confining the flirtation with capitalism to discrete geographical areas, the reasoning went, "spiritual pollution" from the West could be contained while the experiment was conducted.

Shenzhen today flashes with high-rise office buildings and glitzy hotels. It has a popu-

lation of two million legal residents and probably another half million illegal "floaters." The monthly wage of the average unskilled worker in Shenzhen is between 500 and 700 yuan (roughly 5.7 of which equal one U.S. dollar) compared to 150 to 200 yuan in other parts of Guangdong. The city boasts numerous new and aspiring millionaires and owes its prosperity to investment that flows in from the British crown colony, to minimal interference by the party bureaucracy, and to its determined emulation of the capitalist metropolis just across its border. Because Shenzhen possesses the closest thing China has to a genuine market economy, it is anathema to the party hardliners.

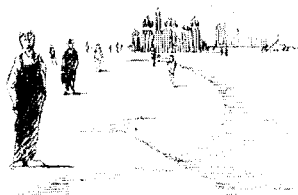
Accompanied on his January trip by his daughter, Deng Nan, and by China's president, Yang Shangkun (the mastermind of the military crackdown in Beijing), Deng praised Shenzhen's economic success and predicted that southern China would soon become Asia's "fifth dragon." Traveling from Shenzhen to Zhuhai, another thriving special economic zone in Guangdong province, Deng visited joint-venture factories and high-tech enterprises. He lauded the economic miracle and criticized leftist hardliners who opposed reform, calling on the rest of the country to emulate the south.

That Deng's remarks were first published only in Hong Kong and Guangdong is testimony to the hardliners' control of the Chinese media. When the *People's Daily*, the nationally circulated newspaper of the Chinese Communist Party, finally published the story of Deng's visit on April 28, 1992, the dam suddenly burst. The pall that had hung over much of the country since the Beijing massacre began to lift. The mood in China changed. Since then, the race to get rich has been on. In a country where the calculation of time has long been tied to key events—before or after the "liberation" of 1949 that brought the Communist Party to power, before or after the Cultural Revolution that began in 1966—everything now is dated from the time "Deng Xiaoping went south."



The city of Xiamen, like Shenzhen, is a flourishing SEZ. Located in Fujian province on the South China coast directly opposite the Guomindang-controlled island "province" of Taiwan, Fujian has historically been one of China's most outward-looking regions and is the ancestral home of many of the people who fled to Taiwan after the revolution. Today the area is rife with Deng-wrought contradictions. The enduring if quiescent civil war between the mainland and the island province makes it necessary for legal visitors from Taiwan to enter by way of Hong Kong, even as a lively trade in the smuggling of goods and people is plied by boats on the Taiwan straits. The 75-minute flight from Hong Kong to Xiamen is filled with Taiwan businesspeople—not the supranational class of sleek, impeccably tailored, business-school graduates who have been key actors in the development of Hong Kong but weathered, chain-smoking men in rumpled, ill-fitting suits and their loudly-attired female counterparts.

I took this much-traveled route to the People's Republic last December. The man sitting next to me looked much like the other Taiwan businessmen on board. Before the plane took off, he located the air-sickness bag and used it frequently as a makeshift spittoon. The two Taiwan women on the flight had the same weathered look as the men, though they attempted to cover the ravages of the sun with heavy applications of eyebrow pencil, white powder, bright red lipstick, and rouge. Their clothes were garish, their costume jewelry jangled ostentatiously, and when they



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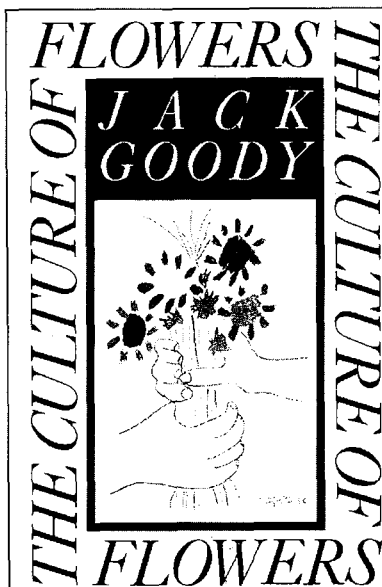
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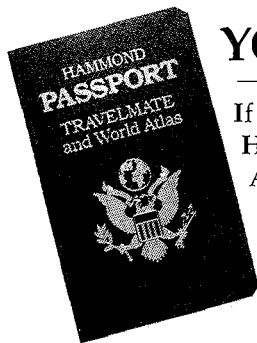
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walked, they wobbled uncertainly on their high-heeled shoes.

My fellow travelers were Taiwan's nouveau riches, successful farmers turned entrepreneurs, the very people whom some mainlanders charge are more interested in making a fast yuan in Fujian than in contributing to the long-term development of the province. Official encouragement to foreign investors stipulates a three-year exemption from taxes, and in response many Taiwan entrepreneurs have engaged in a sort of guerrilla investment strategy—starting businesses that will reap profits within three years, then dismantling them and moving on to new endeavors.

Though some mainlanders resent them, the Taiwan businesspeople are also the envy of their Fujian compatriots. Taiwan's own economic miracle is one that the people of Xiamen wish they could reproduce. "The wrong side won," say many Xiamenites of the civil war that ended with the establishment of the People's Republic of China on October 1, 1949. The expression of such sentiments would have earned mainlanders a lengthy stint in labor reform only a few short years ago. Today, even the dress of their Taiwan compatriots is studiously copied, a Chinese version of dress-for-success.

While the plane sat on the Hong Kong tarmac, the stewardesses distributed newspapers—Chinese-language Hong Kong dailies to the businesspeople, the *South China Morning Post* to the three English speakers on board. The separation of Princess Diana and Prince Charles was the lead that morning, followed by a report on continuing Communist Party invective against the newly appointed Hong Kong governor, Christopher Patten. With the British crown colony scheduled to be handed back to the mainland government in 1997, Patten had surprised everyone and outraged the mainland by insisting on construction of a \$22-billion airport. He had also ruffled feathers by pushing for an expansion of democratically elected representation on the colony's Legislative Council and making ef-

forts to ensure that a bill of rights would remain in force after the 1997 takeover. Beijing wonders why the British rulers have waited so long to introduce democracy and argues that airport construction will both deplete the Hong Kong coffers and saddle the communist government with unwanted expenses. Beijing also asserts that after 1997 it will honor no contracts to which it has not been a party. Hong Kong investors are jumpy.

The *South China Morning Post* shows little sympathy for the party bosses in Beijing. One story reports on a New York meeting of Human Rights in China, held only two days before. Another discusses the continuing fallout over the return to China of the young Tiananmen activist, Shen Tong. In the spring of 1989, while a student at Peking University,* Shen had participated in efforts to negotiate initiation of a "dialogue" between student protesters and the party leadership. One of the first of the young dissidents to reach the United States legally following the massacre of June 4, Shen had returned to China in the summer of 1992 accompanied by television crews, surreptitiously photographing prisons and meeting with numerous dissidents in scattered parts of the country. Shen had been incarcerated in Beijing on September 1, only hours before he was scheduled to hold a press conference to announce the opening of a Beijing branch of his Boston-based Fund for Democracy in China. Although he was released eight weeks later, on October 24, and was returned to the United States, reports continued to circulate that many of the dissidents he had met in China were being detained, brought in for interrogation, or otherwise harassed by China's public-security apparatus. The *South China Morning Post* reported the detention of two more such activists.

As the plane began its descent into Xiamen, the stewardesses returned to collect the newspapers while a matter-of-fact voice announced over the intercom that the People's

*Convention provides for the old-style transliteration of Beijing, Peking, in the exclusive case of the university's name.

Republic of China prohibited passengers from carrying Hong Kong newspapers onto its soil. Deng Xiaoping's political quarantine was still securely in place.

On the ground, during the long drive to my hotel, a newly built Holiday Inn, I struck up a conversation with the driver, a man in his middle thirties who introduced himself as Xiao Chen, or "Little" Chen. A talkative taxi driver, as most travelers know, is often the quickest and most reliable guide to the local mood, and Xiao Chen was as talkative as the ride was long. The roads that day were clogged with trucks, and the congestion was made worse by road repairs and construction. Pollution-control devices are apparently unknown in China, and the air was hazy with fumes. New buildings were going up everywhere, and many were cheerily bright, a welcome departure from the gray-brown concrete-slab structures that seem to be the architectural wave of the future in other parts of China. Finding myself amid all these symbols of China's modernization—traffic jams, pollution, and construction—I started with the obvious, and safest, topic, the city's thriving economy.

Xiao Chen, a product of five years of primary-school education, voiced cautious optimism about Xiamen's economic future. A new mayor had just assumed office, and he was younger, more dynamic, and more open to the West than his predecessor. A new industrial town was under construction on the outskirts of the old, Xiao Chen told me, financed largely by investments from Taiwan. He pointed out the new housing that was going up all over the city.

I told Xiao Chen that his government had not allowed me to bring in a newspaper from Hong Kong and wondered how he got his news. The television and radio have plenty of news, he assured me, and there were many programs from Hong Kong, Taiwan, and the United States.

I asked how he had followed the recent U.S. elections and what he thought of Bill

Clinton.

Xiao Chen said that he was unaware of the recent elections in the United States and that he had never heard of Bill Clinton. The "news" he watched on Chinese television consisted of movies, soap operas, and Hong Kong's pop culture. He was not interested in politics, he explained, not in Chinese politics and not in American politics. He did not believe in Deng Xiaoping and the Communist Party, and he did not believe in democracy, either. Even in democracies, he said, politics is nothing but struggle. Politics is like watching a play. It had nothing to do with him. He had never heard of Shen Tong and cared nothing for human rights.

"What are you interested in?" I asked.

"Making money," Xiao Chen replied, repeating a familiar rhyme, "*Wo buyao quan, wo jiu shi yao qian*"—"I don't want power, I just want money."

Xiao Chen saw himself as an independent entrepreneur, one of a growing number of brash young risk-takers who are giving up the "iron rice bowl" of jobs in state enterprises to strike out on their own. The Polish-built taxi was his, bought six months earlier with the pooled savings of his family and friends. He was working 14, 15, 16 hours a day, seven days a week, earning five or six times what his friends in state-owned factories made.

But his situation was precarious. He felt insecure. He still owed money, and his current income depended on the continued presence of foreigners—businesspeople from Taiwan and Hong Kong especially. Several years ago he had tried to go it alone, opening a small restaurant not far from a foreign hotel. Business had thrived until June 1989. When the army moved into Beijing, the foreigners went home, and his business collapsed, leaving him with a lingering antipathy toward the student demonstrators and unsympathetic to the democratic ideals they had espoused. As an independent entrepreneur, he was without an official work unit and thus ineligible for public health insurance. His wife had just given birth prematurely, and the baby was

still in an incubator. The medical costs totaled thousands of yuan. He was not entitled to state-owned housing, either. Still living with his parents, he and his wife wanted to buy their own apartment—another impossibly large outlay of cash. They would be responsible for the costs of their child's education, too.

Crime, increasing at an alarming rate, was another source of insecurity, and taxi drivers, Xiao Chen told me, were particularly vulnerable. Several had been robbed in recent months, and two had been killed. A few had lost their cars to thieves. The thick wire-mesh screen separating the driver's seat from the passengers' was testimony to Xiao Chen's caution. He also went to monthly meetings sponsored by the local public-security bureau, and for further protection he had begun to invoke the gods. A bright red Buddhist good-luck symbol dangled from his rear-view mirror, exactly where many of his colleagues, in similar attempts at propitiation, had hung likenesses of Mao. As we sat in the morning traffic jam, I noted that the charms dangling from the rear-view mirrors of other city vehicles were running about three to one in favor of Mao.



China's putative economic miracle looks different on the ground from what appears in all the statistical profiles. Not everyone is convinced that China's current economic situation ought to be described as a miracle, least of all its alleged beneficiaries, the Chinese people themselves. Deng Xiaoping's "socialist market economy"

looks very much like the early stages of capitalism, and capitalism in its early stages is neither pretty nor benign. (Might it not have been Marx's biggest mistake, after all, to have taken the early stages of capitalism as the harbinger of the last?) Not only are "the rich getting rich and the poor getting poorer," as so many Chinese observe, but many who have yet to be touched by the new prosperity believe that those with the greatest wealth are those who deserve it least. To many Chinese, not surprisingly, the growing economic disparities seem patently unfair. And yet despite its ugliness and unfairness, this scramble for private wealth is probably China's greatest hope for the future.

At the top of China's new economic ladder stands a select and carefully defined group consisting of sons (and a few daughters) of men who, on the eve of the Cultural Revolution in 1966, ranked at the level of minister or above—not more than about 3,000 people in all. Known in popular parlance as the *taizidang*—the princes' party—members of this new economic elite are often thousands of times richer than the average Chinese, who still has an average income of only \$350 a year. When Deng's reforms began, the "princes" were offered pride of place not only in the government and the military but in the huge trading companies that sprang up when the door was opened to trade and foreign investment. The salaries of these aristocrats are modest, but their perquisites are lavish—imported luxury cars, special housing and stores, the best in free medical care, foreign credit cards, frequent travel abroad. Many of the *taizidang* are millionaires many times over.

The stock market is one source of their wealth. When China's first stock market opened in Shenzhen in 1990, the princes were encouraged to invest on the inside track—as a way both of demonstrating their faith in China's reformist future and of proving that this otherwise most capitalist of institutions was really just "socialism with Chinese characteristics." The son of one-time

foreign minister Chen Yi is said to have recently told an audience of Chinese students in the United States that the first 10,000-yuan investment he made several years ago is now worth 800 times that, about one-and-a-half-million dollars.

The second source of wealth is described by a variety of euphemisms—"tea money," "welfare money," "errand money." A charitable translation of tea money is commission; the more accurate is bribe. The right to do business with China's economic elite is tied to the payment of tea money, the amount of which naturally varies according to the deal. Payment may be in cash or kind. A Mercedes-Benz and \$100,000, the latter deposited in a Hong Kong bank, is not an unusual payment for connections made or agreements reached in a major contractual deal. The more profitable contracts are those for military equipment, and the richest of the *taizidang* are said to be in the military. He Pengfei, the son of the late marshal He Long and now a military leader himself, is reputed to be the richest of them all. Some Chinese companies are said to maintain full-time staffs to manage the transfer of tea money from Hong Kong banks to private accounts in Switzerland, and recent newspaper reports allege that millions of dollars in hard currency are being invested not in China, where the development of infrastructure such as energy and transportation is most desperately needed, but in profit-making ventures abroad, from Hong Kong to Bangkok and from Los Angeles and Florida to Peru.

During the political demonstrations in the spring of 1989, protests against the nepotism of China's highest-ranking officials served as a rallying cry uniting all sectors of Chinese society—students and intellectuals, workers and entrepreneurs. Few ever accused leading officials themselves of being personally corrupt. The problem was that they allowed their children to be. One of the jokes that circulated in Tiananmen Square had Deng Xiaoping talking with Zhao Ziyang,

the reform-minded party chief who was soon to be purged.

"We can stop the protests immediately by killing just two people," Deng says to Zhao.

"Which two?" Zhao asks.

"Your son and mine," replies Deng.

Among the big-character protest posters that filled the outdoor bulletin boards of every university campus in Beijing was one that compared the jobs of the sons and daughters of China's high-ranking officials with those of ranking officials in the democratic world. Ronald Reagan's son, one poster noted, was unemployed.

By all accounts, the wealth of the *taizidang* has only grown since the Tiananmen protests of nearly four years ago, and with it the cynicism and mistrust of the country's citizenry. What is different since Deng Xiaoping went south, some argue, is that now everyone has the opportunity to be corrupt. To get rich is indeed glorious.

Government officials at all levels of the hierarchy—central, provincial, and local—form the next, and much larger, corps of beneficiaries of the Deng reforms. Years of bureaucratic experience have left these hard-working and enterprising officials with the powerful *guanxi wang*—web of connections—necessary to succeed in China. The means they use to expand their livelihoods do not differ greatly from those of the *taizidang*. Rumor has it, for instance, that the vice mayor of Shenzhen has made a billion yuan on the stock market in the city he helps administer. The part-socialist, part-capitalist nature of the Chinese economy, and the consequent disparity between artificially low state-set prices and the higher prices of the market, provide another boost to these bureaucrats' income. Government officials with access to goods at low state prices can enrich themselves greatly through free-market sales. Rake-offs of government funds and the imposition of an increasing variety of local taxes provide another means of enrichment, as do gifts from constituents.

In the rush to get rich, the power of Chinese officialdom—to grant or withhold all manner of licenses and permits, to tax, to arrange—is great, and gifts are a means to smooth the way. Chinese New Year is a particularly propitious time to ensure future favor with officialdom, and recent stories in the Chinese press report that lines to the doors of officials often extend for blocks. Some receiving lines are said to move so quickly that the supplicants have time only to deposit their gifts and name cards and quickly shake hands before being pushed unceremoniously out the back door. Well-watered bureaucrats are said to have liquor supplies that would extend well into the 21st century, if enjoyed at the rate of a bottle a week.

Priate entrepreneurs form the third cadre of China's nouveaux riches. The more visible and apparently more numerous of the new entrepreneurs are the brash cigarette-smoking, cellular-phone-toting young men who can be seen in every hotel lobby and coffee shop of China's bigger



Above: The new entrepreneur of South China

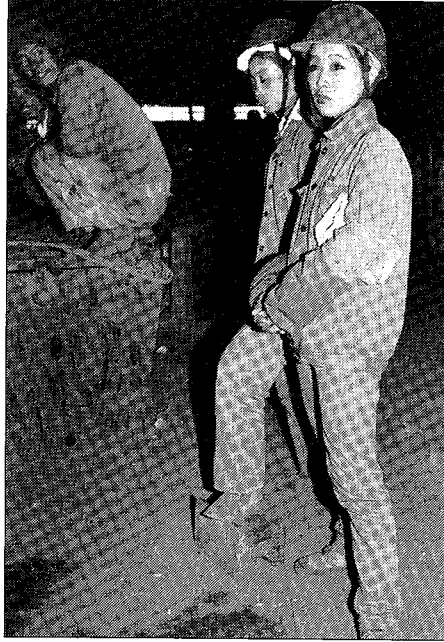


Left: Party cadres in front of a portrait of Lenin



Above: A glamorous woman of Shanghai

Below: Factory workers on break



Right: A peasant woman of Guangxi Province



cities. In a country where for 30 years any tendencies toward capitalist activity were punishable by imprisonment, labor reform, internal exile, or even death, and where the state-enterprise system cultivated a mind-numbing passivity, only the young, daring, and marginal (or, like the *taizidang* and the officials, the very well-connected and safe) are likely to jump at early opportunities to break out of the mold.

The vast majority of China's urban population continues to be employed by the state within the work-unit (*danwei*) system. More than a place of work, the *danwei* is also a welfare organization. Employment, until recently, has been for life, and monthly salaries are small but certain—so certain that motivation is minimal, the eight-hour workday a joke, and featherbedding endemic. The work unit provides housing at pennies a day, and medical care is free. The price of such security is submission. The leader of the unit has a tyrant's hold over his subordinates—from granting permission to marry to implementing the policy of one child per family, from conducting classes in political study to granting permission to travel or study abroad. The leader's power to give and withhold creates a psychology of dependence that makes breaking away too painful to contemplate. Few work-unit drones are willing to give up guaranteed lifetime employment, housing, and medical care for the uncertainties and risks of the entrepreneur.

Given the pervasiveness of the work unit, it is hardly surprising that the first true freelance entrepreneurs have been the young, the disaffected, the criminal, or the daring. These are people whose background or legal status make them ill-suited or ineligible for jobs with the state. They are the daredevils of Chinese society, for whom anything goes and often does. Several years ago, a disproportionate number of vendors in Beijing's "Okay Alley," the bustling open-air clothing market just southeast of the Ritan Park diplomatic area, were ex-convicts fresh out of jail. More recently, many newly released political dissi-

dents—daring, young, rejected by the state—are joining the ranks of the entrepreneurs. Some have been spectacularly successful, making tens of thousands of yuan in a single fantastic deal.

For some, land speculation has been the route to instant wealth. In keeping with continued lip service to socialism, land is still owned by the state—the "whole people" in the communist lexicon. But the rights to use that land can be sold. With foreign firms building new factories and the growing need for private housing by foreign expatriates and returned overseas Chinese, the demand for such rights is rising in tandem with the price. The story of the young Beijing hopeful who left his 200-yuan-a-month job, borrowed 20,000 yuan from a bank, and headed south to make his fortune is typical. The young speculator located a spot of land in the Xiamen suburbs, persuaded the township officials to sell him rights for 20,000 yuan, then found a Hong Kong developer willing to buy the rights for 200,000 yuan, leaving the young speculator with 180,000 yuan in profit. In three short months he made what would have taken 75 years to earn in his job at a state-run enterprise.

For some, the stock market brings similar rewards. Every young Chinese has a friend or a classmate who borrowed money, went south, and made a killing on the Shenzhen stock market—500,000 yuan in a matter of months, the equivalent of several lifetimes of earnings from a state job.

Stories of such successes were no doubt a contributing cause of the Shenzhen riot in the summer of 1992. When application forms required for the purchase of stocks ran out, anxious buyers accused local officials of having hoarded the forms for themselves. The tens of thousands of people who had lined up outside more than 300 Shenzhen banks and brokerage houses turned nasty and rampaged through the streets chanting "down with corruption," attacking plainclothes police, overturning vehi-

cles, and setting at least one van on fire. The police responded with tear gas and small-arms fire. The number of arrests and injuries resulting from the riot has never been officially reported.

The Chinese stock market is a gamble rather than an investment, a lottery rather than a calculated risk. Purchasers have no control over which stock they will buy; instead, they compete for the chance to purchase whatever they are offered. Nor is there information about the financial standing and operations of the companies whose stocks are put on sale. In Hangzhou, the magnificent lakeside city in wealthy Zhejiang province in southeastern China, stock-market results are electronically posted in several storefront shops. The shops have the atmosphere of the New York Off-Track Betting offices, with small crowds of otherwise unoccupied men loitering for hours in the hope that their vigilance will help them win.

Scams abound. The favorite in Xiamen, played in hotel coffee shops, is the cellular-phone version of the chain letter that promises participants geometric returns on their money. Calling by cellular phone, the organizer locates, say, 10 people willing to "invest" 1,000 yuan with the promise that in a month they will receive double their money. With that money in hand, the organizer continues the game, gathering maybe 1,000 yuan from 30 people and making the same promise to them. After skimming off some for himself, he fulfills his promise to the original 10, who are therefore eager to reinvest their funds. The game continues until it breaks down, and the organizer either flees with the money, goes underground, or is tracked and set upon by angry losers. Police patrols in Xiamen have recently been beefed up—not to stop the scam itself but to prevent the outbursts of violence when the game finally collapses.

Even though it may be ultimately beneficial, there is something deeply troubling about the fervor with which money is now being pursued, particularly

from the perspective of the Chinese everyman. For all the glitter and new-found wealth, China remains a poor and backward country. The educational level of its people is low, the opportunities are few, and those that exist are inequitably distributed, either within locales or across them. The phenomenon of southern China is spreading north, and now Shanghai's Pudong district is slated for major economic development. The drive for prosperity is also spreading inland, where the majority of the Chinese people, some 600 million of the 1.1-billion total, now live. Stymied by inefficient state-owned enterprises, conservative officials, and a lack of economic expertise, China's heartland will have difficulty catching up with the economic boom. As the *Washington Post* recently reported, the annual income of peasants in Guangdong province in 1985 was 25 percent higher than that of their inland neighbors in Hunan. By 1990, the Guangdong peasants were earning twice as much as those in Hunan.

But what is most distressing about China's new drive to get rich is the absence of what Tocqueville and others would call a civil society. The quest for prosperity is proceeding with only minimal laws and no agreed-upon moral framework, without freedom of the press or the right to free association, without the moderating force of religion, without even basic agreement on the new rules of the game, without any sense of working together toward a common goal. The atmosphere is reminiscent instead of the many political campaigns that have upset China's equilibrium for more than four decades—campaigns in which the entire population was mobilized to rid the nation of landlords or rightists or sparrows, campaigns to build backyard steel furnaces or to study Lei Feng, or to buy "patriotic" cabbage or destroy the "four olds." Chinese will tell you that the game is being played with such fanaticism not because people are confident about the future but because they are so uncertain about it. Many are convinced, as Mao used to say, that "the Russia of today is the China of tomorrow." Another

popular saying, "*Ye chang meng duo*" ("The night is long and dreams are many"), suggests that the situation is temporary and that it is therefore best to seize opportunity while you can. "It's a doomsday mentality," says Zhang Xiaogang, formerly an editor at one of China's major newspapers and now a student of political science living in the United States.

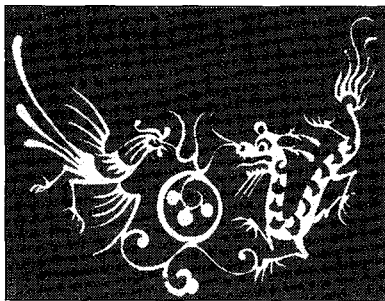
Everyone knows that nothing is fair, that things are bad and getting worse. Many are determined to live and love their final days with gay abandon. Some men take second and third wives, building separate new homes to house each new spouse—a modern adaptation of the traditional custom of the wealthy gentry. One young entrepreneur, a married man who runs a thriving computer company, bragged to me about spending two or three nights each week in the beds of other women. He does so, he said, not only with his wife's knowledge but also with her blessings. Women, when their husbands can afford it, are retreating to the home, there to serve as the traditional housewife, mother, and servant. Prostitution, which for decades the communist government boasted had been eliminated altogether, is visibly on the rise. Businessmen from Taiwan and Japan are the more obvious customers, and some of the sex tours that men from both countries used to take to now AIDS-plagued Bangkok have changed their destination to the southern coast of China, an ironic commentary on party propaganda about "spiritual pollution" from the West. In the Holiday Inn Xiamen, an American scholar was recently approached by a prostitute charging \$100 U.S. a night. With foreigners willing to spend such money and the value of a university degree in decline, some of the prostitutes are said to be college students. Traffic in women is on the rise, with village men buying brides and sometimes kidnapping them. Marlowe Hood, a journalist with years of experience in China, writes that the kidnapping and sale of people is a 100-million-yuan-a-year business. In 1991, in a single medium-sized city in

coastal Shandong province, officials rescued more than 1,000 women and children who had been sold into bondage, breaking up 54 human-trafficking rings in the process.

The black market thrives with apparent impunity. Small family-owned businesses change money as a service on the side, and the gang-run operations solicit openly on the streets. In southern China, almost any tender is accepted as payment—the Chinese *renminbi* (currency), the certificates that serve as the official exchange for foreign currency, Hong Kong or American dollars, and the Japanese yen. Prices are listed in *renminbi* and recalculated at the black-market rate according to the currency used.

While China is still safer than the streets of New York, crime is rising at an alarming rate. Major criminal cases have increased tenfold during the last decade. Theft is the most obvious crime. Americans visiting China in the 1970s reported that empty ballpoint pens and discarded pantyhose left in hotel wastebaskets were returned to them days later in another town in a calculated demonstration of national honesty. Today, while hotel theft is hardly endemic, travelers bearing laptop computers are wary of leaving their equipment unguarded, and foreign residents who travel by public bus and train have been victimized by bag-slashing robbers. Long-distance travel by public bus or train is much less safe than in the past, and Chinese report instances of whole villages organizing to stop and plunder freight trains moving through their territory—a 1990s version of America's Wild West. Marlowe Hood reports a dramatic increase in underground "black-society" gangs—traditional criminal brotherhoods—that range from small bands of highway robbers to international heroin syndicates, from mob-run cigarette stands on urban street corners to nationwide publishing networks operating outside the state-run monopoly, from local sects rooted in superstition to secret societies with hundreds of members. Traditionally, such black-society gangs have grown in numbers and eventually in political importance in

times of dynastic decline. In a nation without a true civil society, they are the logical response to the decline of central political authority.



China is in a state of moral disarray. Old values have crumbled, and new ones have not yet been found. But the problem is even more acute than the "normal" identity crisis that every nation faces in the passage from traditionalism to modernity or from one political and economic system to another. Traditional Confucian culture has been eroding for more than a century, beginning with China's defeat in the Opium War with Great Britain in 1842 and followed by the assault from the country's intellectuals demanding democracy and science during the May Fourth Movement of 1919. The problem has been aggravated by the moral debilitation and the chronic uncertainty engendered by the Communist Party's politics of hate, more than 40 years of political agitation against one "enemy" after another. Millions of landlords perished during the land-reform campaign of the early 1950s, a period many Chinese still describe as the "golden years" of communist rule. Half a million intellectuals were declared rightists in 1957 and sent to prison, labor reform, or exile. Many did not return for more than 20 years. In 1959, '60, and '61, somewhere between 30 and 40 million people above and beyond the normal natural mortality rate died as a result of Mao Zedong's utopian and egregiously ill-conceived Great Leap Forward, a campaign to gather the nation's

peasants into huge communes and to put millions to work at backyard steel furnaces producing useless globs of metal. Mao promised that this effort would enable China's industrial production to catch up with and overtake Great Britain's in a mere 15 years. The resulting famine was the largest man-made disaster in history. Responsibility rested clearly with Mao and with a Communist Party that never opposed him. Yet neither the party chairman nor the party itself was ever held fully accountable.

Instead, in 1966, Mao Zedong launched his Great Proletarian Cultural Revolution, turning against the very officials, including Deng Xiaoping, who had directed the retreat from the Great Leap Forward and put the country back on its economic feet. Almost the entire corps of the country's intellectuals, the best and the brightest of China, were labeled "enemies of the people." Middle-school and university students around the country were mobilized, first to attack their teachers and professors and then to struggle against anyone suspected of having a "bourgeois" or "reactionary" past. As the movement unfolded, thousands, tens of thousands, and finally millions of people were drawn in. China destroyed itself from within. Student turned against teacher, child against parent, colleague against colleague, friend against friend, wife against husband. Hundreds of thousands died, more were sent to prison and labor reform camps, and when the prisons and camps were filled, millions were shipped to "May Seventh Cadre Schools" in remote areas of the countryside. Eighteen million "educated youth" of middle-school age were separated from their families and sent to the countryside to "learn from the poor and lower middle peasants." The fabric of Chinese society was rent, and the cloth has yet to be repaired. Government intransigence in the face of popular protests during the spring of 1989, and the use of guns against a citizenry that most Chinese perceived to be holding the moral upper hand, have inflicted new wounds that

have not yet begun to heal.

In 1981-82, while living in China, I conducted lengthy interviews with several dozen people who were victims of Mao's Cultural Revolution. Living in China again after the Beijing massacre of 1989, I began to contact those victims anew. The book I had written about their experiences, *Enemies of the People* (1987), concluded with a description of the remarkable patriotism that had survived despite the immense suffering the party had inflicted on the Chinese people and despite the lingering wounds and moral debilitation resulting from decades of political persecution. Even the victims still loved their country and wanted to work for its good. I wanted to understand how the Beijing massacre had affected their love.

The first person I looked for was a woman I had called Liang Aihua. Liang Aihua was an American-educated Ph.D., a returned overseas Chinese, and the most extreme example of blind devotion to country I have ever encountered. Heiress to a family fortune she could have collected had she remained abroad, Liang Aihua had returned to China in 1964 with her husband and two sons to work for the development of her country. When the political persecutions began, her family was immediately set upon by young "revolutionaries," and she lost both her husband and a son to the violence of the Cultural Revolution. But when the movement finally came to a halt and she was offered the opportunity to leave, she chose to stay. She stayed because she felt she still had contributions to make to her country. She stayed because, she said, "I am Chinese."

Liang Aihua was not in Beijing when I looked for her there in the summer of 1989. She seemed to have disappeared. Months later, on a brief visit to Hong Kong, I ran into one of her nieces, the one, in fact, who had helped with the initial introduction. Liang Aihua, she told me, was in Hong Kong. I met with her there. She had left China after the Beijing massacre and had no intention of re-

turning, at least not until the current government was overthrown and some sort of democratic rule established. Her remaining son was a student in the United States, working in exile to bring democracy to China.

Something clearly had changed as a result of the bloodshed on the streets of Beijing. Some elemental bond of loyalty had snapped. Devotion to country and loyalty to government were no longer synonymous. It was possible to love China and oppose Communist Party rule.

"You should be studying the children of the victims of the Cultural Revolution," several of my Chinese friends in Beijing urged when they learned I was trying to find the people I had written about earlier. My Beijing friends were children of victims themselves, and they talked about the psychological devastation that resulted from growing up during the turbulent '60s, witnessing their parents under attack, their mothers forced to denounce their fathers, fathers and mothers in "cowpens" or jail, their families separated and dispatched to different corners of the country. They talked about what it was like as children to be forced to live without their parents, without adult supervision, forming children's gangs for protection and plunder. We talked about a recent sociological study that had asked respondents in several countries to list the 10 people whom they most admired. People from other countries almost invariably listed their father among the top 10. People from China did not. "During the Cultural Revolution, we saw our fathers either persecuting others or being persecuted themselves. In both cases they were cowards," one friend said. "When persecuted, they did not fight back."

"We do not know how to love," said another. "We never had normal families or saw love between our parents." She was in the process of a divorce, and the divorce rate among her friends was high. The Confucian system puts familial loyalty at the root of human relationships, and Chinese abroad have thrived on such Confucian ties, with the fam-

ily business and mom-and-pop shops serving as the path to economic success. Mao and his zealots did their best to destroy this fundamental loyalty on the mainland, but not even the politics of class struggle, pitting family member against family member, completely succeeded. Faced with political adversity, many families pulled together for protection against the hostile state. But many were left in tatters.

In 1989, I found few children of the victims I had interviewed seven years earlier. They had fled to the United States, Canada, Australia, Great Britain, Germany, or Japan. The young manager of the Beijing computer company who spent several nights a week in the beds of other women was one of the few. I had known his family well. He was the brother of Song Wuhao, whose story I had told in *Enemies of the People*. Song Wuhao had been a middle-school student when the Cultural Revolution began, and his American-educated father, an engineer, had come under severe attack. One afternoon in the fall of 1968, father and son had been taken by young revolutionary rebels to a huge "struggle session" and put on the stage together. They beat his father with belts. Then they beat Song Wuhao. They told him that they would stop beating him only if he would beat his own father. Both father and son had told me the story separately, and both had been in tears. Song Wuhao had begged, pleaded, cried. He had fallen on his knees in anger and cried out for mercy. But his persecutors refused to relent and continued beating Song Wuhao until he beat his father. When the beating was over, father and son were separated, not to meet again for 11 years. "From that time on," Song Wuhao said, "I doubted history, I doubted society. I began to recognize that there were evil people governing our country, evil people oppressing the Chinese people I loved." Song Wuhao's ideals were shattered.

Song Wuhao's father died several years ago, largely as a result of the injuries sus-

tained during the Cultural Revolution. His mother died a couple of years later of cancer—a disease that the Chinese view as symptomatic of social malaise. Song Wuhao is in the United States now. Only his brother remains behind, getting richer by the day and falling in love with every attractive woman who comes along. He lives for wealth and pleasure alone.

It is the Cultural Revolution generation and the children of the revolution's victims who are often in the vanguard of the current drive to strike it rich. The *taizidang*, after all, is composed of the sons and daughters of the top-ranking leaders whom Mao turned against and purged. Deng Xiaoping's own son, Deng Pufang, is among them, the former head of the multifaceted and consummately successful Kanghua Corporation. Deng Pufang uses a wheelchair because he is paralyzed from the waist down. When his father was purged in 1967, Deng Pufang also came under attack. He was pushed or fell from an upper floor of a building on the campus at Peking University, where he was a student of astrophysics. In 1986, facing popular charges of corruption, Deng Pufang resigned his directorship of the Kanghua Corporation. Today he stays behind the scenes, his stewardship informal, devoting his efforts to programs in support of people with disabilities.

Chen Yi, one of the 10 marshals of the Chinese Revolution and a former foreign minister of the People's Republic, was attacked in 1967 and died in 1972. A colorful and outspoken man, he had opposed Mao's choice of Lin Biao as second in command. (Lin Biao had proclaimed Mao the equal of Marx and declared that a single word from the Great Helmsman was worth 10,000 from anyone else.) Chen Yi was rehabilitated only in death, after Lin Biao had turned against Mao, plotted a coup d'état against him, and died in an airplane crash while fleeing to the Soviet Union. Today, his son, Chen Xiaolu, an active champion of liberal reform, is a millionaire. The children of Liu Shaoqi—who was Mao's designated successor until he was

purged during the Cultural Revolution, brutally attacked, and left to die of illness and neglect in 1969—are also doing well.

Chinese such as my dissident friend, Ni Yuxian, who spent two years on death row for putting up a big-character poster calling on his fellow citizens to awake and rise up (and who is the protagonist in both Liu Binyan's "A Second Kind of Loyalty" and my own *A Chinese Odyssey*) see the *taizidang's* search for prosperity as their way of saying "never again." Astonished during the Cultural Revolution that their status could so quickly and resoundingly fall and that the power of their fathers could so decisively end, they vowed upon Deng Xiaoping's return to protect themselves forever. Power is always precarious. Money is more certain, Swiss bank accounts are even more so, and investments abroad are considered an excellent means to increase one's wealth.

The brash young men who take up so much public space pursuing their scams and imitating the Taiwanese are also children of victims. Now in their late twenties and thirties, they were born into the Cultural Revolution or grew up during it, witnesses to its brutality. Their disdain for the weak and their determination to live without regard for rules are a natural outgrowth of the period in which they grew up.



The Book of Job notwithstanding, brutality and suffering are rarely ennobling. Hatred usually begets hatred; brutality, the desire for revenge. Abused chil-

dren become abusers. Mao Zedong set out to create a new socialist man by preaching a politics of class struggle and hate. He left China a morally wounded society.

Everyone in China, including the highest leaders, recognizes that the country is suffering from a profound moral crisis. During the period of martial law that followed the military crackdown against the Tiananmen demonstrations in June 1989, Deng Xiaoping attributed the student demonstrations to, among other things, a failure of "ideological" education. He ordered a revival of political-study meetings, with lessons in the "four cardinal principles"—the socialist road, the dictatorship of the proletariat, the leadership of the Communist Party, and Marxism-Leninism and Mao Zedong Thought—and calls to emulate the long-deceased model party soldier, Lei Feng. The campaign fell flat. The divergence between the Communist Party's ideals and the *modus vivendi* of its ranking members and their families is too obvious and too great. "It's bad people ordering us good people to do good things," a Beijing friend observed during the course of the campaign.

Chinese have begun searching on their own for an alternative system of values, for new ways to give meaning and order to life apart from the false and hypocritical morality thrust on them by the state. This spontaneous search for an alternative system of values is perhaps the best hope the country now has for the development of independent associations that may lay the groundwork for a genuine civil society. But even the quest for alternatives has a way of being subverted by the combined force of Communist Party interference and the present crisis of values.

Confucianism is being revived and Confucian temples are being rebuilt, but the greatest reason for the revival is the perception that the success of Asia's "four little dragons"—Taiwan, South Korea, Hong Kong, and Singapore—rests upon the Confucian ethic. If Confucianism can be reintroduced, the reasoning



As the thoughts of Chairman Mao cease to hold ethical force for most Chinese, many citizens of the People's Republic are beginning to explore other value systems, including that of the sage Confucius.

goes, China itself, the greatest dragon of them all, might finally awake. Confucianism was always the ethic of the state, and therefore it should come as no surprise that the state even now is intent upon directing the revival. The bureaucracy squabbles about who should administer the temples—the office of religion, the cultural bureau, or the local bureau of tourism. The argument is as practical as it is substantive. Overseas Chinese from the four little dragons are major contributors to the temples, and everyone wants a share of the pious offerings.

Buddhism is also finding new and returning adherents, particularly in southern China, where the religion has traditionally been strong. Buddhist temples, refurbished and renovated, now dot the countryside of Fujian and Guangdong. Many of the worshipers pray for prosperity and a son.

Christianity, too, is attracting converts. Churches, both Catholic and Protestant, are being rebuilt everywhere in China, and many of them are filled to overflowing. No Western

observer of a Chinese Christian service would doubt the devotion of many in the congregation, and some of the bravest dissenters against the Chinese state are Christian clergymen who insist on the integrity of their faith. But even the turn toward Christianity has a strongly utilitarian cast. When the Communist Party sent a team to investigate the millions of new Christians who had joined churches in rural Henan in the heartland of central China, they discovered that many converts were drawn by the preachers' emphasis on the correlation between riches and religious belief—as demonstrated by the great wealth of the Christian countries of the West. Christmas was quite fashionable in China last year; families lined up to have their photographs taken next to the Santa Claus in front of Beijing's Friendship Hotel. The state keeps a close watch over Christianity, too, and only so-called "patriotic churches" are permitted. For Catholics, this has meant severing connections with the Vatican. The underground church is growing, and many of China's pris-

oners of conscience continue to be priests who have refused to renounce the pope.

Perhaps the only spiritual alternative without obvious instrumental value—and with a minimum of state control—is that of Taoist retreat, withdrawal into passivity until the situation changes and moral behavior is possible again. Many Chinese who have fled to the United States regard their action as the only moral choice. While many also go to America in search of fortune, believing the streets are lined with gold (the Chinese name for San Francisco is still “old gold mountain”), others believe that in the United States it is at least possible to lead a moral life.

In order both to pursue an alternative set of values and to escape the tentacles of the state, many Chinese are finding it necessary to go underground. Tocqueville observed that in America there are factions but no conspirators, because in countries where associations are free, secret societies are unknown. By contrast, in China, where all associations are either forbidden or controlled by the state, association must take place in secret. Much as the West might hope that the Chinese underground is dominated by members of the democratic movement from the spring of 1989, the truth is probably otherwise. Nativist practices are blossoming in the heartland of China. The village god has returned to rural areas, and so has the local shaman.

Qigong, which roughly translates as “vital life force ability” and is a modern adaptation of traditional breathing and exercise techniques that promise both healing and long life, has been the rage throughout China for several years. “More people know the names of the *qigong* masters than that of [the dissident astrophysicist] Fang Lizhi,” one young journalist pointed out to me during a recent visit to Beijing. Pursued as a cure for cancer, a surefire way to lose weight, a cathartic release, and a means to promote longevity, *qigong* is also linked to the secret-society phenomenon. Zhang Hongbao, a *qigong* master who once mesmerized crowds in Beijing, has,

according to Marlowe Hood, fled to Sichuan to lead the Way of Basic Unity, presiding as a “dirt emperor” over his mountain stronghold and carrying out vendettas against Communist Party officials.

Secret societies of the type that traditionally have sprung up in times of dynastic decline are also growing. Because the societies are secret and headquartered in China’s rural heartland, away from Westerners and foreign influence, their activities are difficult to observe, much less to analyze. Marlowe Hood has come closer than any other journalist to explaining their workings. Quoting from a Chinese Ministry of Public Security report, he notes “a continuous increase in cases of reactionary sect and secret society activity throughout the country.” Long dormant secret societies, such as the Way of Basic Unity, the Way of Original Harmony, and the Big Knife Society, are springing back to life. As Hood observes, “When centrifugal forces periodically tug at the fabric of Chinese society, these secret associations act as magnets, attracting adherents with a million promises of a just and moral order, on the one hand, and economic opportunity, on the other.” The secret society is rural China’s answer to the absence of a civil society, and it is as hostile to Western influence as it is to Communist Party rule.



As China awaits the death of Deng Xiaoping, who will turn 89 in August, and as the turmoil in the former Soviet Union and Eastern Europe continues, those who specialize in trying to understand

China are called upon to predict the future. Prophecy is difficult in the most stable of circumstances, more so in times of great instability. Theories, nonetheless, abound.

The more optimistic ones suggest that from the current discord will emerge the makings of a democratic polity and a civil society. The growing market economy will produce a demand for law, and the need for economic information will result in demands for freedom of the press. The search for new values and the propensity to form associations in pursuit of those ends, even when those associations are secret societies, will promote the development of a civil society. When the Long March generation of Communist Party leaders departs the scene, the new, younger, more liberal reformers will step forward to lead the country on the road to democracy. Like the lotus blossom that emerges from muddy waters pure and clean, China will also emerge from its present mess.

At the other extreme, the most pessimistic forecast paints China descending further into chaos. According to this reading of the tea leaves, the central leadership after the death of Deng will be so weak and divided, the power struggle so protracted, that no authoritative leader will emerge. At the bottom of society, the strains from the growing inequalities and the gap between rich and poor, coupled with mass cynicism over the play being staged in Beijing, will result in the withdrawal of even the tenuous support for the central government that remains. With "the mountains high and the emperor far away," as the adage goes, the nativist revival will prosper, together with crime and the expansion of black-society gangs. Strongman leaders might emerge in particular locales—cities, provinces, or whole regions—but their activities will be directed downward, to the territory under their control, and outward, to foreign investment and trade, not upward toward the center. Violence, sporadic and unpredictable, will spread. The thriving south may break away from Beijing, entering into formal alliance with Hong Kong and even Taiwan.

The best possible outcome, according to this scenario, involves the great white horse of democracy galloping in to save the day once the pain of continued chaos becomes clear. In the midst of chaos, new leadership will appear, the democrats in exile will return, parliamentary government will be established, and elections will be held.

More conservative predictions focus on the impending deaths of China's octogenarian Long March generation. If Deng Xiaoping is the first to go, hardliners such as the "birdcage" proponent Chen Yun and the equally conservative Bo Yibo will gain the upper hand, and the process of economic reform will slow. Possibilities for political liberalization will diminish. Further reforms will await the deaths of the conservatives, and the political struggle will be protracted.

If, on the other hand, such conservative elders as Chen Yun or Bo Yibo are the first to depart the world, the position of the reformers will solidify, and Deng's policy of economic reform will continue. With the economy on a solid footing, a few measures could be introduced to appease the more democratically inclined. Laws might be instituted to govern economic relationships. The several "democratic parties" could be consulted on policy issues of major importance. The National People's Congress, the country's nominal legislature, could be given a more public and influential role. Press restrictions might be loosened. The result: political stability.

Under such a "neoauthoritarian" system, democracy could become a long-term goal. Because China's economy is still backward, the educational level of its people low, and the population so huge, and because the country lacks a democratic political culture or even the rudiments of a civil society, the introduction of democracy any time soon is simply not feasible. In preparation for the later introduction of democracy, a benignly authoritarian tutelary government could rule, responsive to the people but not directly accountable to them, with the more insistently democratic elements of society, intellectuals in particular,

given greater freedom and leadership roles.

With the possible exception of the dramatic appearance of the great white horse of democracy, all the scenarios are plausible and none is entirely exclusive of any other, the differences often being a matter of short-term versus long-term solutions. Several facts, however, do seem certain:

- First, the political situation in China is inherently unstable. The gross and growing inequities, the corruption and the scams, are breeding grounds of discontent.

- Second, good does not easily or often arise from bad. The search for alternative values will continue.

- Third, the Communist Party has legitimacy in China only as an interregnum, until a new and more viable system of government can be found. Deng Xiaoping has been remarkably successful in instituting a restoration, but the fundamental fact of all restorations is that they merely shore up declining dynasties without ever fully restoring them to political grace. A dynasty in restoration is a dynasty facing its demise.

What happens in the former Soviet Union and Eastern Europe matters greatly to China, and astute observers see the current degeneration of Russia and the newly independent republics not as a failure of reform but as the cumulative effects of decades of communist rule playing themselves out in tragic fashion. The Chinese say, "Not to reform is to wait for death, but to carry out reform is to look for death."

Death will come in any case. It must, if anything healthy is to be born. China may be exceptional, but it is not the exception. Many of the same problems sweeping the formerly communist states—the profits being reaped by party officialdom, the venality and the cor-

ruption, the gangs and the scams, the anger and hatred and moral debilitation, the return to nativism and the quest for new values—plague China, too. Nowhere in the present or former communist world has an easy solution to the problem of governance been found.

My experience in China has taught me to err on the side of pessimism. My formative intellectual experience was as a student of the Cultural Revolution, and the deepest conviction that such research instilled was a belief in the fragility of civilized behavior, a humbling recognition, described so well by Aldous Huxley, of how easily human beings, seemingly no better or worse than you or me, succumb to barbarous behavior. I see no set of institutions, no new system of values, no leader with moral authority, to prevent China's descent into violence should the permissive set of circumstances arise.

For years, every time I have gone to China, I have carried with me a single sheet of paper upon which is written a prophecy from another revolution that began in failure. It appears on the final page of Dickens' *A Tale of Two Cities*, when the narrator imagines the last thoughts of Sydney Carton as he prepares to meet the guillotine.

"I see a beautiful city and a brilliant people rising from this abyss, and, in their struggles to be truly free, in their triumphs and defeats, through long years to come, I see the evil of this time and of the previous time of which this is the natural birth, gradually making expiation for itself and wearing out." In China, as in the former Soviet Union and Eastern Europe, the process of expiation and atonement has only just begun. We must prepare for that process to be protracted, and painful for us all.