

# Power Struggle in China

## Who Rules Chinese State Capitalism?

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When Chou En-lai, the first and only Prime Minister of the Peoples Republic of China, died in the beginning of this year, a struggle between the so-called “moderate,” pro-managerial and “radical left,” pro-Maoist factions within the Party burst into the open.

The rift has taken the form of an apparent battle between two personalities within the standing committee of the powerful Politburo of the Communist Party’s Central Committee (China’s ruling body).

Representing the “moderates” is Teng Hsiao-ping, second Deputy Prime Minister (there are twelve in all) and Chief of Staff of the Peoples Liberation Army, while Chang Chun-chiao, third Deputy Prime Minister, represents the “radical left.” The titular head of the government, at this time, is acting Prime Minister Hua Kuo-feng, who sits on the fence giving total support to neither “moderate” nor “radical.”

The following article is a contribution to an analysis of what is happening behind the appearances which currently present themselves in China, in light of the historical development of the Chinese state.

“In the mid-sixties China entered a new phase which the Party called the ‘Great Socialist Cultural Revolution.’ In a three-volume work published in the autumn of 1966 it was stated that, ‘The victory of the socialist revolution does not mean the end to a class society or to the class struggle.’

“The authors went on to say that after the proletariat had established its power through a political victory, there were other struggles to be fought in the fields of culture, literature, art, philosophy, lifestyle and everyday conduct. It was because of this that China had been involved in inter-class struggle on the cultural front since 1949.

“This is a typical example of Bolshevik mystification: there had not been a socialist revolution and power was not in the hands of the proletariat. Instead there had been a bourgeois revolution which, as a result of specific historical circumstances, had been carried out by the peasantry. It had taken the form of state capitalism and had subsequently evolved a very unusual ideology.

“This ideology required a presentation of the facts in such a manner as to imply that, from the outset, the capitalist nature of the revolution had rapidly become socialist. This sleight of hand boils down to the fact that in China, as in Russia, state capitalism is presented as ‘socialism’ and the power of the Party as ‘the dictatorship of the proletariat.’

“The new ideology also develops the false idea that, after its allegedly political victory, the working class has yet other victories to win. But the real power of the working class, as of any other class, does not lie in political institutions but is of a social nature.

“It implies above all a revolution in the relations of production, associated with a revolution in all other relationships. In China the relations of production changed. Feudalism was replaced by capitalism.

“As earlier in Europe, one system of exploitation was replaced by another. As long as revolutions in relations of production only result in one form of exploitation replacing another, they will result in the emergence of institutionalized political power.

“When a change in the relations of production does away with exploitation, political power will cease to exist. One cannot speak of political domination by the proletariat where the proletariat is still exploited. Once the proletariat frees itself, all forms of exploitation and of class domination will cease.”

– Cajo Brendel, *Theses on the Chinese Revolution*, London Solidarity

## **Birth of the State**

After considering what Brendel has to say and going back to look at what was going on in China during the first part of this century, the power struggles now going on within the Chinese Communist Party begin to make themselves clear.

During the decline and ultimate abdication of the Manchu Dynasty at the turn of the century, the Chinese bourgeoisie, under the leadership of Sun Yat-sen and later Chiang Kai-shek, were weak and incapable of setting up a bourgeois economy and state. They, like the Chinese industrial working class, were a product of the absolutist authority of the Manchus, who promoted the meager industrialization of the southeastern regions of China because of the failure of the feudalistic form of agrarian production to support the economy.

Unable to bring about the land reforms called for by the peasants and to pacify the rising militancy of the workers, the only thing left for the Chinese bourgeoisie was to seek out foreign powers for financial aid, and thus become the supporters of the one thing they were supposed to be fighting against—foreign imperialism—an untenable situation which made them the enemies of both proletariat and peasant.

At the same time, the industrial workers made up less than one-half of one percent of the population and were quite incapable of pulling off a successful workers' movement in the cities where they were based, let alone carrying it throughout China.

(In 1927, the last mass uprising of workers in China took place in Shanghai and was bloodily put down by the armies of Chiang Kai-shek and his foreign supporters. In his pamphlet, “The Origins of the Anarchist Movement in China,” A. Meltzer interestingly points out that, “In a pamphlet, ‘Let Shanghai Burn’, the communists promised ‘not a penny nor a pellet’ in aid to the rebellious workers.”)

This left only the peasants led by the Chinese Communist Party in a position to bring about a bourgeois revolution without the bourgeoisie.

## **State Capitalism**

In 1949, after the defeat of Chiang Kai-shek's armies, Mao proclaimed the “victory of the national democratic revolution,” a revolution that started the transition of a pre-capitalist, feudal China to a modern capitalist state with its economy based on wage labor, centralized hierarchical government, and extraction of surplus value from the labor of the working class and peasants. In short, “state capitalism.”

From this time on the working class in China continued to grow and, along with it, a new stratum of managers of capitalism, a neo-managerial aristocracy which is presently vying for power within the Party bureaucracy, as it did in 1966, in an attempt to gain full control of every aspect of production and Chinese society.

## Mao's Opponents

Citing extensively from such Chinese newspapers as *Peoples Daily*, *Peoples Paper*, and the theoretical journal *Red Flag*, Brendel demonstrates the existence of the elite stratum during the 1966–69 Cultural Revolution. In short, says Brendel, “Mao’s opponents give the impression of being a group with roots in industrial life and include Party officials (in high positions). They have financial influence and are in a position to allocate the products of industry (both food and other commodities). They have the power to grant wage increases and other social advantages. They can therefore be characterised as managers.”

Since the death of Chou En-lai in January (see “Death of a Salesman” *F.E.*, February 1976), vehement attacks against the managerial sector and their most visible spokesman, Teng Hsiao-ping (Chou’s hand picked successor) have appeared in the Chinese newspapers strongly reminiscent of those that appeared during the “Great Socialist Cultural Revolution” (this must also be seen as an attack on Chou himself).

In fact, not only are the slogans of “capitalist roader” and “the No. 2 party person in authority taking the capitalist road” exact repeats of ’66, but even some of the characters are the same; a sort of Chinese *deja vu*.

The Cultural Revolution, which had nothing cultural or revolutionary about it, was essentially the first open struggle between the managers, then represented by the since deposed Liu Shao-chi, Teng and the old Party bureaucracy.

It resembled, as does the struggle going on in China now, the conflict between the old Party bureaucrats and new Party managers in Russia in 1956. The major difference is that the pro-Maoist faction dominated the Party and Party appendages in 1966, whereas in Russia the “new party” managers were in control and consequently became the victors.

In a maneuver to stop China’s “new party,” Mao and his followers called upon the “masses” to rid the country of “capitalist roaders,” hoping at the same time to reform the Party in such a manner as to bring it up to date with the new social forces that were threatening it.

(A point that should be made here is that the struggles that went on in 1966 through 1969 and are going on inside the Party today are not the misguided acts of a few “revisionists,” they are the necessary adjustments of the Party’s reality to the continuing movements of production within capital.)

The dominant Party bureaucrats defending the turf today, as in ’66, are the so-called “radical left” pro-Maoist faction of the Party, whose main defender and representative is Chang Chun-chiao, the person next in line for the Party throne after Teng Hsiao-ping. Their major weapon is the “radical” ideology of “Mao Tse-tung Thought,” the “purist” conception of the revolution which was invoked during the Cultural Revolution to defeat the “capitalist roaders.”

But as the means of production become more mechanized (Chou En-lai wanted full mechanization of agriculture by the turn of the century), and as an ever expanding number of the population also become industrial workers, the ideology of the state has become increasingly less able to shroud the reality of continuously expanded extraction of surplus value behind the mystification of “socialist accumulation.”

The wage workers of China, like wage workers everywhere, know when they are being shafted by production demands over which they have no control, especially if they aren’t even offered the “material incentives” of western capitalism.

## Resistance Grows

The recent strikes by textile and transportation workers in Hangchow, Canton, Wuhan and Changsha represent prime examples of the growing resistance to the demands of capital accumulation. (These were the same areas that fought against the emerging bourgeoisie in the ‘twenties and ‘thirties and, during the Cultural Revolution took over the factories and dispensed with management and Party officials alike; in both cases, the class struggles were put down by the intervention of the state’s armed forces).

For a year and a half, ending last October, the workers carried out a series of strikes and sabotage (in China, a crime punishable by death) in protest against the government’s raising of production quotas to more than 200

percent while refusing to raise the average factory worker's wage above its normal 60 Rrenminbi per month (approx. \$30.).

It is interesting to note that along with chauffeur driven cars, fine housing, their own restaurants and stores which are off limits to workers, and travel privileges, members of China's ruling elite make 6.5 times more than a worker.

Despite attempts by the "radical left" to squelch the troubles (Mao even insisted on putting "the worker's right to strike" in the Chinese Constitution), it was the "moderates," through re-instated military leaders once disgraced during the Cultural Revolution, who called upon 10,500 troops of the "Peoples Army" to finally stop the strikes.

In the article, "Tough New Man in Peking," *Time Magazine's* Roy Rowan writes:

Moreover, Teng, who holds the post of Chief of Staff of the armed forces, is highly respected by China's powerful regional military commanders another advantage he holds over potential radical adversaries in the Party. Last year, when radical leaders were unable to quell labor disturbances in several Hang-chow factories, it was Teng, with military support, who successfully took charge of ending the troubles.

In a typical Bolshevik manner, soldiers were brought in from distant sectors of the country; soldiers who knew nothing of the struggles between the party and the workers in the south, and even less of the industry of those areas.

## Socialist Construction

The Chinese newspaper Renmin Ribao (Peoples Daily), controlled by the "radicals," wrote of how the 10,500 soldiers worked together with the workers in a comradely fashion to "participate in industrial labor and support socialist construction."

But as Kai Chang in the October 1975 *October Review* writes:

These soldiers, ostensibly sent into the factories "to participate in production," could not really help production very much because of their lack of skills. They could not have replaced the skilled workers. One cannot help but ask why they were sent into the factories where production was stagnant"

The Party was not concerned with "bourgeois elements" or the "path to capitalism," as *Renmin Ribao* would like us to believe. Their concern was production and the building of the "state economy."

As Teng once said, "For the purpose of increasing production, any by-hook-or-by-crook method can be applied. It doesn't matter whether a cat is black or white so long as it catches mice."

So the question is not whether Teng and the "moderates" are "capitalist roaders" and Mao and the "radical left" socialists, for China was well on its way down the capitalist road in 1949. The question is which faction of the party can realistically balance the ever-increasing productive needs of China's economy against the ever-increasing dissatisfaction of the working class.

By putting down the industrial strikes last year, the managers won an important victory, a victory that the pro-Maoists may never recover from.

The appointment of Hua Kuo-feng as acting Premier of the Chinese Communist Party is a sign that, unlike the period of the Great Socialist Cultural Revolution, no one faction within the party is presently the dominating power.

But with the "moderates" having the firm support of the military, the chances of Teng being purged and the re-emergence of a new Cultural Revolution, disastrous to China's economy, are slim.

It seems that the death bell is tolling for the "old party" ideologues as China enters a new phase in its march towards a perfected state capitalism.

It's time to realize that China and Maoism have nothing to do with socialism except terminology. As Brendel so aptly put it:

“It is not they, the Chinese leaders, who are going the ‘wrong way.’ Those who are on the wrong path are those who expect a revolutionary policy or revolutionary diplomacy from Maoist China.”

For further reading: *Theses on the Chinese Revolution* by Cajo Brendel, London Solidarity; *The Origins of the Anarchist Movement in China* by A. Meltzer. Available from Ammunition Books.



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