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DIRECTORATE OF INTELLIGENCE

22 July 1987

China: The Anti-Bourgeois Liberalization Campaign in the Provinces

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Summary

Since the ouster of party General Secretary Hu Yaobang last January, the conservatives' campaign against "bourgeois liberalization" in the provinces has produced mixed results. We believe many proreform provincial leaders, taking their cue from Zhao Ziyang, are only paying lip service to the campaign. Nevertheless, the drive probably has had an intimidating effect on many local cadre, factory managers, and well-to-do peasants, and encouraged more conservative party cadre to reassert themselves in some regions. If Zhao and other reformers regain the initiative at this fall's party congress, we believe the anti-bourgeois liberalization campaign will fade; but, until the balance of power at the top is clearer, many provincial officials will continue to hedge their bets.

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This memorandum was prepared by Office Of East Asian Analysis. Information available as of 16 July 1987 was used in its preparation. Comments and queries are welcome and may be directed to the Chief, Political Assessments Branch, China Division,

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The Drive in the Provinces

For the past six months, since the fall of Hu Yaobang, conservatives have pressed to expand and reformers to contain the anti-bourgeois liberalization campaign. Having failed earlier to check the antireform drive, Premier and acting party General Secretary Zhao Ziyang--we believe with Deng Xiaoping's implicit support--has resumed the offensive, to blunt the campaign and rekindle reform. [redacted]

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Although the evidence is thin, we believe the effect of the battle between reformers and conservatives has been to sow confusion and fear among many provincial and lower level party and government officials. As long as things appear unsettled among top party leaders in Beijing, provincial officials probably will conduct the anti-bourgeois campaign according to either which side of the struggle they are on or which way they see the tide running. We doubt, for example, that many provincial governors--most appointed by Hu and Zhao and, therefore, presumably proreform--are enthusiastic supporters of the campaign. In provinces, in fact, that have traditionally been more independent from Beijing, and where economic reforms have brought substantial material benefits, the campaign appears to have had little effect. Such resistance appears to be strongest in the south and central coastal provinces, which have greatly benefited from the open door policy, and where the campaign is viewed almost with contempt:

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- In Guangzhou, entrepreneurs told reporters that they ignored the leadership changes in Beijing and that the campaign had not affected business there. One entrepreneur reportedly said "the only freedom we want is the freedom to make money."
- According to a Hong Kong press report, Yuan Geng, who is in charge of the industrial region of Shekou within the Shenzhen Special Economic Zone, flatly refused to go along with the hard line pushed by conservatives and told subordinates, "There is no bourgeois liberalization here, nor will I fight it even if there were." [redacted]

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We suspect the campaign has had a more chilling effect in some more insular provinces such as Sichuan, Hubei, and Shanxi. [redacted] fear of reprisals has spread in these areas among many small entrepreneurs, managers, and

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wealthy peasants who have benefited most from those reforms conservatives regard as "capitalist:"

- In Sichuan many private businessmen who opened small, often lucrative, enterprises under the economic reforms tried to turn in their operating licenses for fear of being accused of bourgeois liberalism.
- Two officials in Wenzhou, Zhejiang, recently told a Consulate officer that many of the people in their city who had benefited financially from recent economic reforms tried to hand over their hard-earned property to local governments or collectives, fearing it would be confiscated.
- Peasants in Hubei tried to turn vehicles belonging to private transportation companies into their collectives, according to Embassy reporting. [redacted]

Local officials also have felt conservative pressure from Beijing to crack down on liberal publications and promote the campaign in local universities:

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- A Nanjing University administrator recently admitted that a February rally was organized only to cover the university until the extent of the campaign became clear.
- Although Liaoning universities were virtually unaffected by the student unrest last year, in March the provincial party secretary attacked the "problem" of bourgeois liberalization in Liaoning campuses.
- Also in March, Hubei propaganda officials suspended a journal noted for its liberal views under pressure from conservative Deng Liqun. According to Hong Kong press, the Hubei leaders were hedging their bets, complying with the conservatives' request; but if the reformers resurge later in the year, the journal could reopen.
- Guangxi's party committee suspended all 39 of its literature and art journals. Beijing has criticized Guangxi publications in the past, and Guangxi officials may have acted to avoid renewed criticism. [redacted]

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Local officials in Shanxi appear to have initially taken the campaign the most seriously, perhaps because the province is the home of conservative leader Peng Zhen. According to provincial radio in Shanxi, provincial leaders organized a conference in February that called for full mobilization and continuous combat against counterrevolutionary criminals--carrying the charge of promoting bourgeois liberalism to an extreme. The Shanxi Daily ran a simultaneous commentary that could well have been intended to justify a purge of opponents of conservatives. Whether such a purge occurred is unclear. [redacted]

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And Shanghai

The campaign has engendered a mixture of contempt and caution in the more cosmopolitan Shanghai, traditionally a center of political activism and the site of the largest student demonstrations last winter. Proreform intellectuals there have [redacted] said that they have been disgusted by the attacks on fellow writers and journalists like Liu Binyan and are refusing to support the anti-bourgeois liberalization campaign. Some writers even boldly continued to press for further reform right after Hu Yaobang's fall, especially those connected with the Shanghai World Economic Herald, which enjoys the protection of Zhao Ziyang, according to several US Consulate sources. [redacted]

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However, many other intellectuals, as well as university students, under pressure from local officials feeling the heat from party conservatives in Beijing, have trimmed their sails. [redacted]

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[redacted] campuses in Shanghai were quiet on anniversaries of previous protests this spring. Heavy political indoctrination has been introduced at local universities for both the faculty and students. A middle school teacher complained to US Consulate officials that colleagues at his school found the emphasis on opposing bourgeois liberalism annoying, and that real work was not getting done. [redacted]

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Similarly, self-censorship among artists appears to have increased:

- [redacted]
- No film projects in Shanghai have been cancelled, but some films in production are being revised to strengthen their ideological line.
- Staff members of Shanghai's People's Art Theater decided not to restage a controversial Chinese play that was considered very liberal a year ago.
- [redacted] several artists had withdrawn from a showing of abstract oil paintings at the Shanghai Art Gallery. [redacted] Chinese artists were used to such ideological swings and would continue to paint privately without exhibiting their works. [redacted]

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Outlook

We suspect the fallout in the provinces from the anti-bourgeois liberalization campaign has been largely negative. Every such campaign tends to resurrect memories of the Cultural Revolution, generating fear and confusion, as well as resentment and disillusionment with the party. At a minimum it has forced many officials to adopt a timid posture instead of aggressively pushing ahead with reform. Officials who have staked their careers on promoting reforms, particularly governors appointed during Hu's tenure, no doubt have been encouraged by Zhao Ziyang's recent stinging rebuke of

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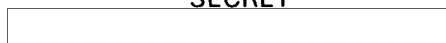
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conservative propaganda themes. But we believe most lower level officials are likely to continue to hedge their bets until the new balance of power at the top in Beijing becomes clearer. That means implementation of reforms will probably remain sluggish at least until after the outcome of the party congress this fall. 

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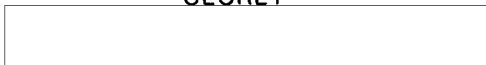
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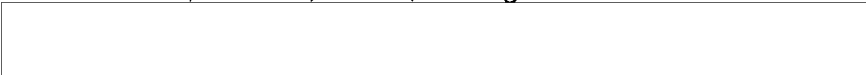
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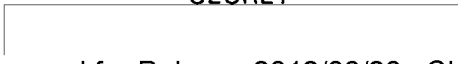


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