After relations between China and the United States were established in the late 1970s, U.S. industries began to do business with China. Here we see Coca Cola sold in China.
The Massacre at Tiananmen Square

On June 3–4, 1989, the government of China sent heavily armed troops and tanks into Tiananmen Square in the center of Beijing to clear the square of student demonstrators. The students, who were unarmed, had occupied the square for six weeks demanding political reforms that would allow for more democracy. Approximately 1,000 demonstrators were killed and the democracy movement was suppressed.

Background

As you read, in 1979 China began a program of far reaching economic reforms to modernize the country and turn it into a major power. These reforms continued for the next decade and transformed the Chinese economy. However, very little was done to bring about political reform, that is to allow a greater degree of democracy and loosen some of the control of the Communist Party over all aspects of Chinese life. During the 1980s, there was even a struggle within the Communist Party between those people who wanted to continue the economic reforms and those who resisted them. Some feared that the reforms challenged the authority of the Communist Party and threatened the socialist system. During the same period, the Chinese government seemed to swing back and forth between allowing the people greater political freedom and curbing these freedoms.

The success of China’s economic reforms created pressure for political reform. The economic reforms had also led to many changes in China during the 1980s. The Communist Party’s control over the economy had been loosened. China had been opened to the outside world. Thousands of Chinese students were studying abroad. Intellectuals were freer to express themselves than they had been in years. There was a feeling that China was at last liberating itself from the terrible repression that had existed under Mao.

Student Demonstrations—December 1986

This made many people impatient for more change. Young, idealistic university students led the way in demanding more democracy. In December 1986, student demonstrations took place in nearly a dozen cities, calling for individual rights and freedom of expression. Although the demonstrations were peaceful, China’s leaders saw them as a challenge to Party control and feared that other dissatisfied groups would join them. Consequently, the government banned all demonstrations. However, some students ignored the ban and continued their protest. This led to a government crackdown in January 1987. Many students were arrested and many were thrown out of the universities. During the next two years, the government took measures to strictly limit political activity.

The Democracy Movement at Tiananmen Square

In the spring of 1989, the pro-democracy movement burst forth again. The period between April 23rd and June 4th has been called “the most remarkable six weeks in Chinese history.” What triggered these events was the death of Hu Yaobang, who had been chosen by Deng Xiaoping in 1980 as his successor to lead the Communist Party. Hu, a strong advocate of
reform, was forced to resign in January 1987 by conservatives in the Party. They blamed him for failing to put down the student demonstrations. Hu became the students’ idol and his death turned him into a martyr of reform.

On April 23rd, the day of Hu’s funeral, between 100,000 and 150,000 students gathered in Tiananmen Square. Defying a government ban on demonstrations in Tiananmen Square, they demanded greater freedom, an end to corruption, and an opportunity to meet with government leaders to make their wishes known. These students were loyal to the government and the Party. They did not wish to bring about the end of communism. But the Communist leaders saw the demonstration as a serious threat to their own authority and to the Communist system. On April 26, the government threatened to use force to break up the demonstrations but the students refused to back down. During the next six weeks, thousands of students continued to occupy Tiananmen Square and the surrounding streets in the center of Beijing. Students boycotted classes and organized independent student unions. The students printed their own newspapers and used various means to influence public opinion.

There was a great outpouring of public support for the students in many cities. In Beijing, workers, professionals, and ordinary citizens began to organize themselves to support what had become known as "the democracy movement." Soon there were demonstrations in dozens of cities. The students escalated their demands to include the removal of Premier Li Peng. In May, 3,000 students went on a hunger strike in Tiananmen Square to emphasize their determination. The demonstration in Tiananmen Square received world-wide coverage.

For weeks, the Chinese government debated over how to deal with the situation. Some, including the General Secretary of the Communist Party, Zhao Ziyang, were in favor of making concessions to the students. However, hard-liners wanted a military solution. When Deng Xiaoping supported the hard-liners, Zhao was removed from office, and on May 20 the government announced that martial law would go into effect in parts of Beijing. Troops were sent to the city to take control, but the demonstrations continued for another two weeks. Resistance by the citizens of Beijing prevented the soldiers from advancing to Tiananmen Square.

The Government Crackdown

On the night of June 3–4, heavily armed troops and tanks moved into Tiananmen Square. They attacked and killed almost 1,000 student demonstrators. Bloodshed also occurred in other cities as troops put down the democracy movement.

The government called the demonstrations a “counter-revolutionary rebellion,” that is, an attempt to overthrow the Communist system. Thousands of people who had participated in the democracy movement were arrested; more than two dozen people were publicly executed. Many leaders of the democracy movement escaped abroad. In the universities and in other institutions where the democracy movement had flourished, the government began a new campaign of repression.

After Tiananmen Square: Human Rights Abuses

Since Tiananmen Square, China is very different. Many Communist party officials who favored reform, especially the supporters of Zhao Ziyang, were removed from office. The hard-liners, who are now in control, have been trying to reassert strict Party control over all aspects of Chinese life.

The Massacre at Tiananmen Square 339
Students taking part in a pro-democracy demonstration at Tiananmen Square in the spring of 1989.
In June and July 1989, a nationwide hunt for protesters was undertaken. The crackdown continued well into 1990. Tens of thousands of participants in the democracy movement were rounded up and held without any charges. Many have been released, but many, perhaps thousands, are still being held. Reports tell of killings, disappearances, torture, severe beatings, arbitrary arrest, and interference with personal privacy. Basic civil rights—freedom of speech, press, assembly, association, and religion—have all been severely restricted. There has been renewed discrimination against women and China’s national minorities.

New laws were passed in late 1989 and early 1990 that restrict the right of citizens to organize demonstrations. A universal population registration system was ordered in September 1989 requiring people to carry identification cards which can be checked at any time. This restricts the movement of Chinese citizens in their own country.

In August 1989, 500,000 college graduates were sent to remote rural areas for one or two years of indoctrination, (intense instruction) in Communist ideas. The Party has tightened its controls on education, especially in the universities. Ideological (basic concepts) study of communism and military training have been reintroduced in the universities. China also limited the number of university students allowed to study abroad.

The Chinese Economy after Tiananmen Square

The Chinese economy began showing signs of serious weakness in 1988. It was further weakened by the massacre at Tiananmen Square and the subsequent events. The main effects of the massacre were: the suspension of foreign loans; the cancellation of new foreign investments; the loss of tourist revenue; and increased spending on defense. As a result, production declined, unemployment rose, and social tensions increased.

1. Suspension of foreign loans. China’s major source of interest-free and low-interest loans was the World Bank, which provided $8.5 billion in loans to China between 1980 and 1989. Following the massacre, the World Bank suspended all new loans. A $6 billion loan from Japan that had been negotiated in 1988 was also put on hold. These losses were a severe blow to China.

2. Cancellation of new investments. Foreign investments, which were an important part of China’s economic reform program, had grown steadily during the 1980s. Although most foreign companies did not pull out of China after Tiananmen Square, they suspended or cancelled plans for new investments.

3. Loss of tourist revenue. Before June 1989, tourism was a growing industry and it provided China with $2.2 billion a year. After the massacre, foreign visitors were frightened away causing a sharp drop in tourism.

4. Increased spending on defense. Chinese leaders believed that the support of the army was necessary to remain in power. Between 1979 and 1986, China’s defense budget had declined sharply. After Tiananmen Square, the government gave in to military demands for greater defense spending which left less money to invest in the economy.

These new developments added to the very serious problems that already existed; a shortage of raw materials, of electricity, and capital; outdated equipment and backward technology; an inadequate transportation system; and inflation. The government’s attempt to control inflation brought on a serious recession.

The Chinese economy went into a deep slump at the end of 1989. Industrial production declined sharply. Every part of the economy was affected. The recession hurt the machine...
building industry—the backbone of the economy. The production of consumer goods, an industry that had been rising throughout the 1980s, was also hit.

Unemployment

Millions of workers and other employees lost their jobs. Unemployment became a serious economic and social problem. The unemployed traveled from one city to another looking for jobs, creating a “floating population” of millions. They slept in railway stations, parks, and urban slums. There was an increase in crime.

Turning Back the Clock

After 1989, China’s new hardline leadership halted many of the reform programs. The government returned to a policy of centralized control over major segments of the Chinese economy. Steps were taken to severely restrict private businesses. During the preceding decade, the number of private businesses had grown from 100,000 to over 14 million. This was one of the most dynamic parts of the Chinese economy. After 1989, the number of private businesses dropped. The “Open Door Policy” was maintained, however, because it served as a means of attracting foreign capital.

Foreign Policy Under Deng Xiaoping

The new Chinese leadership under Deng Xiaoping recognized that a peaceful international environment was essential to its plans for economic development. Therefore, the Chinese continued their efforts to improve relations with the United States, other Western countries, and Japan. They also tried to lessen tensions with the Soviet Union. China is also very active in trying to win friends among Third World nations. At the same time, China saw itself as an independent major power that stood apart from both the United States and the Soviet Union. After many years of isolation under Mao, China has been increasing its participation in international events.

China’s Relations with the Soviet Union

Relations between China and the Soviet Union have remained tense since the 1960s. In the early 1980s, the Chinese were still attacking the Soviet Union as the "most dangerous source of war in the world today." The Chinese repeatedly denounced the Soviet invasion of Afghanistan and the Soviet-backed Vietnamese invasion of Cambodia. China was nervous about the presence of 1 million Soviet soldiers and the Soviet missiles along the Chinese-Soviet border. Yet, it was in the interest of both nations to try to improve relations. The Soviets hoped to lure China away from its growing friendship with the United States. The Chinese wanted to reduce the growing Soviet military threat so they could concentrate on economic development.

In 1982, the two nations began talks to explore the possibility of normalizing relations. During the next few years Soviet and Chinese officials exchanged visits. Both sides signed agreements for economic and technical cooperation and scientific exchanges. Soviet and Chinese athletes began participating in competitions in each other’s countries. Trade between the two nations grew. By the late 1980s, the Soviet Union had become one of China’s leading trading partners.
At the same time, China began to have friendlier relations with the Soviet Union’s allies in Eastern Europe. Chinese officials traveled to Romania, Yugoslavia, Hungary, Poland, Czechoslovakia, Bulgaria, and East Germany. In May 1989, Soviet President Gorbachev visited China. Relations between the two nations improved.

China’s Relations with Its Asian Neighbors

During the long years of the war in Vietnam, both the Soviet Union and China sent weapons and supplies to the Communists in Vietnam to fight the United States-backed government in South Vietnam. In 1975, two years after the last U.S. troops left South Vietnam, North Vietnam conquered South Vietnam and united the country. Vietnam became the strongest military power in Southeast Asia, especially after it signed a treaty of alliance with the Soviet Union in 1978. Hostility between China and Vietnam grew. In 1979, Vietnam sent its army into Cambodia to overthrow the government of Pol Pot, which China had supported. The Soviet Union backed Vietnam. At the same time there were frequent clashes along the border between Vietnam and China. Vietnam mistreated the Chinese people living in Vietnam, and 500,000 of them fled to China. In 1979, China invaded Vietnam. The war lasted four weeks, but nothing was settled. Border clashes continued during the next few years. China feared that it was being encircled by the Soviet Union in the north and Vietnam in the south. The Chinese were very concerned about the buildup of Soviet naval and air power in Vietnam.

China and Japan have developed closer relations in recent years. During the 1950s and 1960s, Japan followed the lead of the United States and avoided trading with China. After President Nixon’s visit to China, Japan also began to normalize its relations with China. In 1979, the two nations signed an economic agreement. Over the next few years Japan became China’s leading trading partner. Japan is playing a very important role in helping the Chinese to develop their economy. Japan has given China billions of dollars in loans for railway, port, and hydroelectric projects. There are joint projects to develop the steel and petrochemical industries. In 1980, Chinese premier Hua Guofeng visited Japan. It was the first visit by a Chinese head of government to Japan in 2,000 years.

In 1842, Britain and China signed the Treaty of Nanking ending the Opium War. This treaty ceded (gave) to Britain the island of Hong Kong, which has remained under British control for more than 140 years.

In 1842, Hong Kong was a largely uninhabited island. By 1983, its population had grown to 5.5 million people. Hong Kong is now the world’s third most important financial capital after New York and London. It is a manufacturing center with exports greater than those of all of mainland China. It is also a tourist site for several million people a year who are attracted by its modern hotels, shops, and restaurants.

Britain’s lease on Hong Kong runs out in 1997. In 1982, Britain and China began negotiations and in 1984 an agreement was reached to end British rule and return Hong Kong to China in 1997. Hong Kong will continue under British administration until then.

The agreement leaves Hong Kong basically unchanged, at least until the year 2047. Although Hong Kong will become part of China, its economy will continue to be based on private enterprise for 50 years after the takeover. The Chinese are willing to allow for continuation of capitalism because Hong Kong provides China with 40 percent of its foreign exchange. In 1997, Hong Kong will become an “autonomous special administrative zone.” It
will be allowed to keep its legal, educational, and financial system until 2047. Its residents will be permitted to travel and trade freely. The free port and international banking system will remain intact (untouched), as will the markets for foreign exchange and gold. Hong Kong will have a great deal of autonomy, but China will be in charge of defense and foreign affairs.

Many of Hong Kong’s residents, especially those in the business community are very uneasy over this situation. They fear that a future Chinese government might not abide by the treaty. Half of Hong Kong’s citizens are refugees who fled from Communist China, and many are not willing to live under a Communist government again.

**China and the United States**

Relations between China and the United States continued to improve after 1978 despite continuing problems over Taiwan. The friendship between the two countries was based in part on a shared hostility toward the Soviet Union. Fear of Soviet-Vietnamese encirclement drew the Chinese closer to the United States. The United States saw China as a potential partner in checking the growth of Soviet military power in Asia. China also needed U.S. investments and advanced technology to modernize its economy. The United States, for its part, hoped that trade with China would bring large profits in the future. Finally, after 30 years of estrangement, the United States and China announced the establishment of full diplomatic relations on January 1, 1979.

View of Hong Kong from the mainland. Hong Kong is a major financial and manufacturing center. It provides China with 40 percent of its foreign exchange. Hong Kong attracts several million tourists every year.