

# Reduced Budgets, the “Two Centers,” and Other Mysteries of the 2003 National People’s Congress

James Mulvenon

## Introduction

As explored in my submission to *CLM* 3, the National People’s Congress (NPC) meetings, particularly the publicized People’s Liberation Army (PLA) delegate discussion sessions, are a consistently useful barometer of the state of party-army relations. This article examines the makeup of the military delegation, outlines the issues highlighted in PLA leaders’ speeches and delegates’ comments, and analyzes the announced defense budget. Special attention is paid to an article in *Liberation Army Daily* by Wang Wenjie, particularly a cryptic comment made by a PLA delegate about the problems posed by “two centers,” which some analysts took as a criticism of the divided leadership of Hu Jintao and Jiang Zemin.

## PLA Leaders’ Speeches

The PLA delegation to the first session of the 10th National People’s Congress, which consisted of 268 deputies, was led by Central Military Commission (CMC) Vice Chair Guo Boxiong (the PLA’s chief warfighter), with fellow Vice Chair Cao Gangchuan and General Political Department Director Xu Caihou as deputy heads.<sup>1</sup> Leadership speeches at the NPC are important indicators of the priorities of different sectors of the military in the coming year. Guo’s speech at the opening delegation session touched on themes evaluated in previous issues of *CLM*, including the centrality of the theory of the “three represents” to the future development of China, the importance of generational change in the leadership, and the military’s commitment to creating a “well-off society” (*xiaokang shehui*). Guo’s second speech, following the First Plenary Session of the NPC, also identified four principles for implementation, suggesting that the PLA is focused on loyalty to the party and modernization rather than ideology.<sup>2</sup> First, the military must apply the theory of the three represents, which does not have direct military relevance but instead should be seen as a statement of party orthodoxy. Second, and more substantively significant, the PLA must “take modernization as the central task and strengthen our sense of mission, of responsibility, and of urgency in building modernized armed forces.” “Ideological” work comes in third, but Guo warns that personnel must assess the “appropriateness” and “timeliness” of political activities, suggesting that political work must not get in the way of modernization. Finally, Guo leaves no doubt that professional concerns must trump all others, asserting that “combat strength” must be the “yardstick” and that “enhancing combat strength” must be the “starting and base point in all work.” At a group discussion later in the week, Guo also delivered the predicted warning to Taiwan, calling the situation “complicated” and refusing to renounce the use of force.<sup>3</sup>

General Cao Gangchuan augmented these remarks by emphasizing innovation and high technology, though he made a point of lauding “Chairman Jiang Zemin’s thinking on national defenses and armed forces building” without identifying any specific aspect of Jiang’s military insights.<sup>4</sup> A later speech credited Jiang with “great foresight” that led to “eye-catching great successes,” and joined Guo Boxiong in calling on PLA personnel to “obey the orders of the party Central Committee, the Central Military Commission, and Chairman Jiang in all their actions” without ever mentioning Hu Jintao.<sup>5</sup> Chief of the General Staff Liang Guanglie highlighted the need to develop “weaponry and command methods that meet the requirements of information warfare” and to “deepen . . . preparations for military struggle.”<sup>6</sup> Director of the General Logistics Department Liao Xilong repeated the recent mantra about building capabilities to “win battles,” and called for “optimization” of the PLA’s structure (usually a code word for reductions of personnel and headquarters) and acceleration of the “socialization of logistics support” (a code phrase for outsourcing to nonmilitary providers).<sup>7</sup> Director of the General Equipment Department Li Jinai reemphasized the slogan of “manufacturing a generation of weapons, developing a generation of weapons, and researching in advance a generation of weapons,” calling for greatest attention to the last set of challenges.<sup>8</sup>

## PLA Delegates’ Proposals and Complaints

Early reports from the NPC offered glimpses of the delegates themselves. Of 268 deputies, official media reported that the share of delegates with university educations was up from 32 percent to 64.2 percent and the share of delegates with professional school educations was up to 37.7 percent.<sup>9</sup> Chen Yan, director of the Political Department of the South China Sea Fleet, speedboat detachment, has a doctorate in national defense economics, while 30-year-old Li Jun, who runs computer networks in the Guangzhou Military Region, has a master’s degree in signals and information processing with four science and technology progress awards to her credit.<sup>10</sup>

Statements by PLA delegates at the NPC were equally diverse, touching on a wide variety of topics. A summary of PLA themes from the NPC included (1) implementing the three represents, (2) acting according to the “five phrases” (Jiang Zemin’s slogan for the military), (3) “fighting to win,” (4) “guarding against degeneration,” (5) “keeping pace with the times,” (6) developing “fewer but better troops with Chinese characteristics,” and (7) safeguarding “national security and unification” while building a “well-off society.”<sup>11</sup> Echoing a line repeated since the intense international relations debate in summer 1999 following the Belgrade embassy bombing, delegates also stressed the continuing primacy of “peace, development, and multipolarity” as themes of the age, but warned of “new situations,” “uncertainties,” and “turbulence.”<sup>12</sup> Senior Colonel Yao Yunzhu of the Academy of Military Sciences offered a Chinese proverb to support this position, invoking the adage that “a strong wind blowing in the tower heralds an impending storm in the mountains.”<sup>13</sup> One delegate challenged the PLA to succeed in the “dual tasks of mechanization and informationization,”<sup>14</sup> while another called for the acceleration of national defense and

military modernization according to “the principle of coordinating national defense construction with economic construction.”<sup>15</sup> Many echoed the official party line about “developing the west,” with a focus on Xinjiang,<sup>16</sup> while representatives of the personnel system called for greater emphasis on the recruitment of university students into the ranks.<sup>17</sup> Equipment and technology advocates demanded that the “national defense S & T [science and technology] industry . . . serve both military and civilian purposes,”<sup>18</sup> while one bold thinker called upon the PLA to “conduct exercises with live ammunition.”<sup>19</sup>

As part of their official duties, PLA delegates to the National People’s Congress also submitted 23 proposals to the NPC, dealing with a national defense tax, information security for national defense, the protection of servicemen’s civil rights, the management of frontier defense, amendments to Article 369 of Criminal Law, property management, and free compulsory education.<sup>20</sup>

## The Defense Budget

Minister of Finance Xiang Huaicheng announced on March 6 that defense spending would rise 9.6 percent to 185.3 billion yuan.<sup>21</sup> Official reasons for the increase included addressing “changes in the international situation, safeguarding China’s national security, sovereignty, and territorial integrity, and raising the combat effectiveness of the armed forces in fighting wars using high technology.”<sup>22</sup> Yet, a 9.6 percent increase represented a significant drop-off in the rate of growth of the PLA budget, which had averaged well above 10 percent per year since the late 1980s. The 2003 increase was also well below the projected programming of the 10th five-year plan, which appeared to be averaging between 15 and 20 percent after inflation. One official source offered a reason for the smaller-than-normal increase, arguing that slower overall economic growth required caps on central budget spending.<sup>23</sup> Yet, a hint of another reason can be found in the fact that only English-language official sources, such as *China Daily*, highlighted the reduced rate of increase as the “lowest in 14 years,”<sup>24</sup> while Chinese-language sources simply stated the numbers without editorial comment. What is going on here? While the official budget numbers were already widely viewed as incomplete, it is entirely possible that the Chinese government, weary of the annual public relations debacle in the Western media over double-digit increases in the defense budget, decided to hide a greater share of the increase in other accounts. Using this logic, 9.6 percent was a reasonable mean between previous high-profile increases of nearly 18 percent and smaller increases, such as 5 percent, that would have been politically embarrassing to the important military constituency.

Nonetheless, numerous PLA officers publicly called the increase insufficient and argued for greater resources. PLA Air Force Lieutenant General Liu Cangzi allegedly told *South China Morning Post* that defense spending should be increased “many, many times,”<sup>25</sup> while his colleague Lieutenant General Zeng Jianguo told the same paper that the budget should be raised “even more in certain respects.”<sup>26</sup> Even more shocking were the comments of Major General Ding Jiye, head of the General Logistics Department

Finance Department, who told the state-run Xinhua News Agency that the current level of defense spending was “barely enough to keep things moving.”<sup>27</sup> One PLA delegate asserted that the level of military modernization was only “on par” with the capabilities of major countries in the 1970s and was “incompatible” with China’s “comprehensive national strength” 20 years after reform.<sup>28</sup> To correct these deficiencies, delegates called on the leadership to “raise the welfare and remuneration of military officers and men, improve the living conditions of military officers on active duty, increase allowances for officers and men on active duty, and narrow the gap between military personnel on active duty and other civic servants in terms of welfare and wages.”<sup>29</sup>

## The Mystery of the “Two Centers”

Early reports from PLA delegates offered generic lauding of the “successful transition of the party leadership at the 16th Party Congress.”<sup>30</sup> Yet, a fascinatingly cryptic March 11 article in *Liberation Army Daily* written by Wang Wenjie, deputy director for reporting under the paper’s editor-in-chief according to the *Directory of Military Personalities*, could be interpreted as an indirect but shockingly heterodox attack on divided civilian leadership in the Central Military Commission, which was the topic of my article in *CLM* 5 titled “The PLA and the 16th Party Congress: Jiang Controls the Gun?” The *Liberation Army Daily* article begins with a series of axioms of leadership followed by a rhetorical question:

It is better to have a good general than 10,000 troops, and it is better to have a good policy than a good general. A person good at running an army cannot do without good generals, much less do without a good policy. What is the good policy for guiding the direction of the armed forces construction and the future development of the military?<sup>31</sup>

On their face, these comments seem deductively reasonable, and the question appears to be a standard Socratic way of initiating an argument. At the same time, the logical sequence could be interpreted to mean that bad policy at the top (i.e., from the civilians) can undermine even a professional military with good generals. A series of unanswered questions a few paragraphs later strongly suggests that something indeed is wrong at the policy level:

Should the military choose to bypass or confront deep-level contradictions and problems encountered in the course of reform and development?  
Should the military try to avoid or confront “bottleneck problems” which produce constraining effects on our military’s organizational structure, functioning mechanisms, and policy systems?

Note the emphasis on forces *outside* the military that are constraining structure and process. At this point, the article abruptly switches from a general, institutional focus to a tone that suggests a personal attack is afoot, without giving a hint as to who might be the target: “Should one emphasize the overall situation or fuss over small things when there

is a conflict between the individual interest and the national interest?" The article does not immediately identify whose "individual interest" is trumping the national interest. Instead, the bombshell is dropped by two delegates named Gu Huisheng and Ai Husheng, who complain:

Having one center is called "loyalty," while having two centers will result in "problems." Having multiple centers is the same as having no center, and having no center results in having no success in any area. Implementing the "Three Represents" will be an empty slogan and word in the absence of undiluted devotion, total concentration, enthusiasm for producing achievements and for pursuing exploration and advancement, and unyielding and unwavering convictions.<sup>32</sup>

This appears to be a clear attack on the divided leadership situation of Jiang Zemin and Hu Jintao, whereby Hu is general secretary of the party and state president but nonetheless subordinate to Jiang (who is not even a member of the Central Committee) on the Central Military Commission, thus creating "two centers" of power. An article in *Asia Times* about the essay highlights the clever wordplay behind the attack, which should be literally translated as "one *zhong* and one *xin* together make one 'loyalty,' but piecing two *zhongs* together to one *xin* gives one *chuan*, a problem." The key characters are *zhong* (center) and *xin* (heart). As separate characters in a compound they mean "center" (*zhongxin*), while the same two characters stacked on top of one another make the character for "loyalty," or *zhong*. In other words, one "center" means "loyalty." The character for "string together," or *chuan*, consists of two "center," or *zhong*, characters stacked on top of each other, while the character for "problem" is composed of a *chuan* on top (two "centers") and a *xin*. So if you "string together two centers," it becomes a "problem."<sup>33</sup>

The article then goes on to outline the destabilizing consequences of selfish interests: "Correct guidance will make large numbers of people be of one mind and produce cohesion; incorrect guidance will inevitably result in people wanting different things and produce centrifugal effects."<sup>34</sup> As a corrective to this outcome, the author cites the ancients: "Li Bu of the Song Dynasty said in the *Book of Reflections*: 'Self-sacrifice produces support; tolerance wins people over; and taking the lead establishes leadership.' This statement was about the power of example and the charismatic power of personality. 'When the dragon head moves, the dragon tail swings.'<sup>35</sup> Just to make the point further, the author points out the hypocrisy of the main proponent of intraparty reform via the three represents, Jiang Zemin, acting as an obstacle to intraparty reform, and exhorts him to practice what he preaches:

Leading cadres are organizers of efforts to implement the "Three Represents," and should personally practice the "Three Represents." Leading cadres now should firmly remember the "two musts," and work hard to do a good job of serving as the "five models." It is necessary to dare to take the lead, to reach the level of ideological advancement characterized by not being vainglorious . . .<sup>36</sup>

In other words, Jiang should think less of his own ambitions and desires, and subordinate himself to the good of the future of the party.

In all, the article presents a seemingly scathing attack on Jiang and the political outcome of the 16th Party Congress. Even more surprisingly, the article was still on the web site of *Liberation Army Daily* as of this writing on April 29, 2003.<sup>37</sup> The author is certainly too prominent within the newspaper's leadership and the General Political Department for this article to be ignored. How can we explain this hidden heterodoxy in the heart of the PLA propaganda apparatus, which was the most vociferous exponent of the three represents and of fealty to Chairman Jiang only six months earlier? Such open splits and use of the media for attacks in the past have suggested much deeper disputes within the system, so they lead this author to conclude that dissension within the ranks over Jiang's retention of the chairmanship of the Central Military Commission is deep and real.

## Conclusion

To sum up, the National People's Congress reveals a PLA focused on its professional missions but continuing to be distracted by the politics of budgeting and the civilian leadership succession. While the 16th Party Congress ushered in a new set of younger, more capable military leaders, the lines of authority and priorities among their civilian masters are much less clear. The signals coming out of the PLA strongly suggest discomfort with this new arrangement, which is generally anathema to military organizations that seek clarity on issues related to chain of command and future planning and procuring capacities. Yet, the "two centers" will persist as long as Jiang hangs on to the CMC chairmanship and forestalls complete transfer of power to Hu Jintao. Unfortunately, the severe acute respiratory syndrome (SARS) episode reminds us that only a crisis can cause dramatic political change in China, and a crisis is the very thing that this party-army arrangement is most ill-equipped to handle.

April 2003

---

## Notes

<sup>1</sup> Ding Haiming, "PLA Delegation to First Session of the 10th National People's Congress Formed; Guo Boxiong Is Head of the Delegation, Cao Gangchuan and Xu Caihou Are Deputy Heads," *Jiefangjun bao*, March 4, 2003, 1.

<sup>2</sup> General Xu's speech at the same meeting reinforced this impression, focusing mainly on the "party's absolute leadership over the armed forces" without any specific reference to what the party currently believed in.

- <sup>3</sup> Gao Aisu, “Deputy Guo Boxiong Stressed: Inspire Enthusiasm, Innovatively Deal with Concrete Matters Relating to Work, Work Hard to Create New Situation for Army Building,” *Jiefangjun bao*, March 7, 2003, 1.
- <sup>4</sup> Zhang Tao, Huang Guozhu, and Cao Zhi, “PLA Deputies Pledge to Quicken National Defense and Military Modernization in Line with Principle of Developing National Defense Building and Economic Construction in Coordination,” Xinhua News Agency, March 6, 2003.
- <sup>5</sup> Cao’s remarks can be found in Du Xianzhou, “Deputy Cao Gangchuan Stresses: Accelerate Advancement of National Defense and Army Modernization Building with Important Thinking of ‘Three Represents’ as Guide,” *Jiefangjun bao*, March 7, 2003, 1. Guo’s comment about obeying orders was offered in Gao Aisu, “Deputy Guo Boxiong Stressed: Inspire Enthusiasm.”
- <sup>6</sup> Zhang Tao, Huang Guozhu, and Cao Zhi, “PLA Deputies Pledge to Quicken.”
- <sup>7</sup> Ibid.
- <sup>8</sup> Ibid.
- <sup>9</sup> “Education Background of Army NPC Deputies Up,” Xinhua News Agency, March 3, 2003.
- <sup>10</sup> Ibid.
- <sup>11</sup> Zhou Ben, “The PLA Delegation of NPC Deputies Pledges to Guide Itself with the Important Thinking of the ‘Three Represents’ and Strive to Bring About Leapfrog Development in the Modernization of the Army,” *Jiefangjun bao*, March 6, 2003, 1.
- <sup>12</sup> Zhang Tao, Huang Guozhu, Cao Zhi, and Bai Ruixue, “National Wealth and Powerful Military: Forming Mechanism to Achieve Synchronized Growth—Military NPC Deputies on Coordinated Development of National Defense Construction and Economic Construction,” Xinhua News Agency, March 9, 2003.
- <sup>13</sup> Cao Zhi, Xu Zhuangzhi, and Sun Yanxin, “PLA Deputies to the NPC Say Military Security Is Still Most Important to National Security,” Xinhua News Agency, March 12, 2003.
- <sup>14</sup> “PLA Delegation: Push Forward Modernization of the PLA,” *Jiefangjun bao*, March 6, 2003.
- <sup>15</sup> Zhang Tao, Huang Guozhu, and Cao Zhi, “PLA Deputies Pledge to Quicken.”
- <sup>16</sup> Li Guoli and Liu Xin, “The Armed Forces Will Plunge into the Large-Scale Development of the Western Region with a More Active Posture,” Xinhua News Agency, March 6, 2003.
- <sup>17</sup> Sun Yanxin and Liu Xin, “Representatives from the Military: Joining the Military and Contributing Your Education Will Provide Great Opportunities,” Xinhua News Agency, March 7, 2003.
- <sup>18</sup> Zhang Tao, Huang Guozhu, Cao Zhi, and Bai Ruixue, “National Wealth and Powerful Military.”
- <sup>19</sup> “Good Tidings Fill Us with Joy, Tasks of Seeking Development Are Heavy—Report on Military NPC Deputies and CPPCC Members Discussing State Affairs,” *Jiefangjun bao*, March 9, 2003, 4.
- <sup>20</sup> “Army Deputies Submit 23 Proposals,” *Jiefangjun bao*, March 12, 2003.
- <sup>21</sup> “Xiang Huaicheng at NPC: PRC Plans 9.6 Percent Increase in 2003 Defense Spending,” Xinhua News Agency, March 6, 2003.
- <sup>22</sup> Ibid.
- <sup>23</sup> Allen T. Chung and Fong Tak-ho, “Defense Outlay Sees Smallest Rise in 14 Years,” *South China Morning Post*, March 7, 2003.
- <sup>24</sup> Xing Zhigang, “Military Budget Rise Lowest in 14 Years,” *China Daily*, March 7, 2003.
- <sup>25</sup> Allen T. Chung and Fong Tak-ho, “Defense Outlay.”
- <sup>26</sup> Ibid.
- <sup>27</sup> “Major General Ding Jiye Says Defense Spending Much Lower Than World Average,” Xinhua News Agency (English), March 8, 2003.
- <sup>28</sup> Cao Zhi, “Proper Investment into National Defense Is Needed for Building Well-Off Society in All-Around Way,” Xinhua News Agency, March 6, 2003.
- <sup>29</sup> Ibid.
- <sup>30</sup> “PLA Delegation: Push Forward.”
- <sup>31</sup> Wang Wenjie, “Advance Development by Leaps and Bounds in Our Military Modernization under Guidance of ‘Three Represents’—Report on Effort by the Military’s Deputies to NPC to Study President Jiang’s Important Speech at the Military’s Delegation,” *Jiefangjun bao*, March 11, 2003, 5.
- <sup>32</sup> *Asia Times* reports that “Major-General Gu is the vice chief of the political department of Nanjing Military Region, while Ai is now with the Information Technology Warfare Unit, but is far better remembered as the colonel who led the first regiment to occupy Tiananmen Square on June 4, 1989, and

got rid of demonstrating students with bloodshed.” See Xu Yufang, “Chinese Military Blasts Confusion at the Top,” *Asia Times*, March 12, 2003.

<sup>33</sup> The author would like to thank Chinese guru Cliff Edmonds for explaining the intricacies of this wordplay.

<sup>34</sup> Wang Wenjie, “Advance Development by Leaps and Bounds.”

<sup>35</sup> Ibid.

<sup>36</sup> Ibid.

<sup>37</sup> See [http://www.pladaily.com.cn/gb/pladaily/2003/03/11/20030311001061\\_TodayNews.html](http://www.pladaily.com.cn/gb/pladaily/2003/03/11/20030311001061_TodayNews.html).